



INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM MANUAL

2016 Fast Track (FT)

Indiana Housing and Community Development Authority
Community Programs Department
30 South Meridian Street
Suite 900
Indianapolis, IN 46204
(317) 232-7777
ida@ihcda.in.gov
<http://www.in.gov/myihcda/ida.htm>

Contents

| | |
|---|-----------|
| SECTION 100: IDA PROGRAM HISTORY | 4 |
| 101: STATE HISTORY..... | 4 |
| 102: FEDERAL HISTORY | 4 |
| 103: PROGRAM SUMMARY | 5 |
| 104: TRAINING AND TECHNICAL ASSISTANCE..... | 5 |
| SECTION 200: APPLICATION AND ELIGIBILITY | 7 |
| 201 INFORMATION MEETING | 7 |
| 202 APPLICATION PROCESS | 7 |
| 203 ELIGIBILITY DETERMINATION | 8 |
| 204 HOUSEHOLD DETERMINATION | 9 |
| 205 INCOME DETERMINATION..... | 10 |
| 206 EARNED INCOME | 10 |
| 207 INCOME DOCUMENTATION | 11 |
| 208 INCOME CALCULATION..... | 11 |
| 209 NET WORTH TEST | 13 |
| 210 CREDIT REPORT AND SCORE | 14 |
| 211 DOCUMENTATION OF IDENTITY AND RESIDENCY | 14 |
| 212 PREVIOUSLY ESTABLISHED IDA ACCOUNTS | 15 |
| 213 PARTICIPANT READINESS ASSESSMENT | 15 |
| 214 FREQUENCY OF DETERMINATION | 16 |
| 215 PROGRAM WAITLIST | 17 |
| 216 BENEFICIARY DESIGNATION | 17 |
| SECTION 300: TRAINING REQUIREMENTS..... | 19 |
| 301 FINANCIAL EDUCATION TRAINING..... | 19 |
| 302 ONLINE FINANCIAL EDUCATION..... | 20 |
| 303 CREDIT COUNSELING..... | 20 |
| 304 ASSET-GOAL SPECIFIC TRAINING | 20 |
| 305 FINANCIAL COACHING/COUNSELING | 22 |
| SECTION 400: PARTICIPANT SAVINGS | 24 |
| 401 SAVINGS PLAN AGREEMENT..... | 24 |
| 402 REGULAR SAVINGS DEPOSITS..... | 24 |
| 404 DEPOSIT OPTIONS | 25 |
| 405 MINIMUM OPENING DEPOSIT | 26 |
| 406 MAXIMUM MATCH FROM IHCD | 26 |
| 407 SAVINGS PERIOD | 26 |
| SECTION 500: ACCOUNT STRUCTURE | 28 |
| 501 ACCOUNT SET-UP | 28 |
| 502 BANKING FEATURES | 28 |
| 503 MATCH PROCESS..... | 28 |
| 504 SUBMITTING MATCH CLAIMS | 28 |
| 505 ELIGIBLE ASSET PURCHASES | 29 |
| 506 QUALIFIED ASSET PURCHASE PROCEDURE..... | 31 |
| 507 EMERGENCY WITHDRAWAL PROCESS | 32 |
| 508 ACCOUNT GARNISHMENT | 33 |
| 509 REASSIGNING A PARTICIPANT BETWEEN GRANTS..... | 33 |
| 510 FILLING AN EMPTY SLOT..... | 34 |

| | |
|--|-----------|
| SECTION 600: PARTICIPANT FILES AND ACCOUNT CLOSINGS | 36 |
| 601: ACCOUNT CLOSINGS | 36 |
| 602: RETURNING UNUSED FUNDS | 37 |
| 603: PARTICIPANT TERMINATION..... | 37 |
| 604 ADDING CASE NOTES | 38 |
| SECTION 700: DATABASE MANAGEMENT AND REPORTING | 40 |
| 701 TRACKING PARTICIPANTS | 40 |
| 702 SUBMITTING CLAIMS | 40 |
| SECTION 800: FINANCIAL INSTITUTIONS | 41 |
| SECTION 900: PROGRAM ADMINISTRATION FOR APPROVED AGENCIES | 43 |
| 901 GRANT AGREEMENTS | 43 |
| 902 GRANT CLOSEOUT | 43 |
| 903 IDA ADMINISTRATOR BANK ACCOUNT STRUCTURE | 44 |
| 904 ADMINISTRATIVE BUDGETS..... | 45 |
| 905 90 DAY NOTICE FOR PROGRAM TERMINATION | 45 |
| 906 MAINTAINING PARTICIPANT FILES | 45 |
| 907 CONFIDENTIALITY | 45 |
| 908 NON-DISCRIMINATION..... | 46 |
| SECTION 1000: PROGRAM COMPLIANCE AND MONITORING | 48 |
| 1001 INTERNAL CONTROLS | 48 |
| 1002 MONITORING | 50 |
| 1003 MONITOR PREPARATION: | 51 |
| 1004 THE REVIEW: | 51 |
| 1005 THE REPORT AND RESPONSE PERIOD: | 51 |
| 1006 THE APPEALS PROCESS:..... | 52 |
| SECTION 1100: ADDITIONAL IDA PROGRAM POLICIES | 54 |
| 1101 APPEALS PROCESS..... | 54 |
| 1101.1 <i>Informal Review Process</i> | 54 |
| 1101.2 <i>Formal Appeal</i> | 54 |
| 1102 ACKNOWLEDGING AFI GRANT FUNDING IN YOUR PUBLICATIONS..... | 56 |

Section 100: IDA Program History

101: State History

The Indiana Housing Community and Development Authority's Individual Development Account Program is an asset development program for low-income individuals. In 1997, Indiana state legislation (I.C. 4-4-28) created the Individual Development Account (IDA) program (IDA program) as an innovative tool to help low-income Hoosiers build assets, attain self-sufficiency, learn personal financial skills, and invest in improving their quality of life.

102: Federal History

The American Dream Demonstration (ADD) was the first large-scale test of Individual Development Accounts as a social and economic development tool for low-income communities. Initiated by the Corporation for Enterprise Development (CFED) in September 1997, ADD brought together 13 community-based organizations selected through a competitive process to design, implement and administer IDA initiatives in their communities. It ran for four years (1997-2001) and the research took place over the course of seven years (1997-2003).

Studies of ADD revealed several valuable lessons:

- Low-to-moderate income individuals can and do save in IDA programs; in fact the very poorest (under 50% of the federal poverty line) save at rates at least two to three times the rates of those between 150%-200% of the poverty line.
- Financial education is important, significantly raising savings rates and providing program consistency.
- Account holders save primarily through reducing other expenditures and secondarily through increasing income.
- The majority of account holders are able to amass critical assets through IDAs.
- IDAs have significant psychological and social effects, increasing future orientation, financial skills, and sense of control, initiative-taking, and civic and family participation.

The key elements of effective IDA programs include match rates, parallel account structures, broad-based partnerships, and financial management education and asset-goal specific training programs.

In 1998, the United States Congress passed the Community Opportunities, Accountability, and Training and Educational Services Act of 1998 (also known as the Assets for Independence Act) which led to the creation of a parallel demonstration program that complements the IDA program that is administered by IHCD. The Assets for Independence Act was last amended in 2000.

103: Program Summary

Individual Development Accounts are matched savings accounts designed to encourage low-income families to save for the purchase of an asset. Participants in the program are required to successfully complete financial education as well as training related to a specific asset purchase.

The **2016FT program year** is October 1 to September 30. Overall program administration is guided by Indiana Code (I.C. 4-4-28) and AFI Legislation (Community Opportunities, Accountability, and Training and Educational Services Act 1998). Program rules are tailored to accommodate federal and state legislation.

The **match rate** is 3:1, where participants save \$1,500 over the course of their participation in the program and receive \$2,250 in state match funds and \$2,250 in federal match funds, for a combined \$4,500 in match and \$6,000 total to use for an asset purchase.

Eligible assets include purchasing a home, paying for home repair, starting/expanding a small business, purchasing a vehicle and paying for education/job training.

The objective of the IDA Program is to assist people with limited means in achieving financial independence and becoming financially self-sufficient by providing them the skills to:

- Develop a budget and set goals;
- Establish regular saving habits; and
- Invest in assets.

The IDA program meets these objectives by providing financial education, case management, homeownership counseling and other asset-goal specific training to its IDA participants.

This manual is designed to assist administering IDA organizations and their staff achieve these goals by providing the necessary tools, framework and guidance needed to run a more effective program. The manual captures best practices from the field and provides a model for effective program management.

104: Training and Technical Assistance

IHCDA will provide training and technical assistance to the IDA Administrators, as needed or requested. IHCDA hosts an annual training prior to the start of each program year. Should you have any questions concerning this program, please contact:

By email: IDA@ihcda.in.gov

IHCDA Partnership Portal/ IDA page:

<https://www.in.gov/myihcda/ida.htm>



Section 200: Application and Eligibility

It is the IDA Administrator's responsibility to develop a list of potential IDA participants, and to guide them through the application process.

Step 1: It is recommended that each prospective participant attend an information meeting to learn more about the program structure.

Step 2: Each prospective participant should receive and return a completed IDA participant application along with required documents.

Step 3: Application Review Process to:

- Determine the eligibility of the prospective participant to participate in the program; and
- Assess any potential barriers that may hinder the prospective participant's ability to successfully complete the program and purchase the desired asset.

201 Information Meeting

Potential participants can be identified using various outreach strategies. Once one or more participants have been identified and have expressed interest in the IDA program, the next step is usually to host them at an Information Meeting. The goal of the meeting is to provide prospective participants with the information necessary to make an informed decision, to do a bit of "self-selection" and determine his or her level of interest in participating in the IDA program. The agenda of the orientation should include the following:

- Program requirements and expectations including regular saving plan deposits
- Overview of Financial Literacy and Asset Goal Specific Training requirements
- A list of any out-of-pocket expenses that will be required
- Question and Answer Time

Information meetings can be offered individually or in group sessions as well as in conjunction with other aspects associated with the program such as scheduled training sessions or an agency "open house".

202 Application Process

Resource: Appendix- Participant Application or the online application at <https://www.vistashare.com/ot2/ssview/intake/a53178217d2642d1af35ca3eaeba0212>

After attending an information meeting, each prospective participant should go through an initial interview and screening process. The prospective participant will complete an application and begin the eligibility review process. All IDA participants must have a completed application with eligibility documentation on file. A copy of the Participant Application is located in Appendix G.

A prospective participant who wishes to have his or her IDA application accepted for review must submit all the following documents as part of his or her IDA application submission:

1. Copy of the most recent two (2) weeks of consecutive pay stubs for all wage earners in the household at the time of application to help determine income eligibility.
2. Copy of the prospective participant's most recent Federal tax return (filed less than 12 months prior to date of application to help determine income and net-worth eligibility.

3. A copy of their credit score, which cannot be more than 30 days old prior to the application. Their score will be pulled again at the end of the program and compared with the first score, to show change over the course of the IDA program.
4. A copy of the credit report, to use in the household net worth calculation.
5. Documentation validating state residency and Social Security Number

The 'No Previous IDA Account Affidavit,' signed by the applicant and all their household members

Other income documentation that may be considered if either of the first two options above information are not available:

- Salary, wage statements or W-2 forms
- Third-Party Verification of employment income (i.e. Workforce Development Wage Determination)
- A statement signed and dated by the prospective participant or his/her parent/guardian, in the case of minors, that the prospective participant does have earned income such as an allowance. NOTE: A statement should be placed in the case file by the IDA Administrator explaining why a self-declaration was used. **This method of documentation should be used only when it is not possible to use one of the above methods.**

Participation in the IDA program is generally granted on a first-come, first-served basis. However, the seriousness and ability of the program applicant to actively save should be a factor in the review process.

203 Eligibility Determination

If a prospective participant turns in application materials at different times, all materials must be collected and dated within 30 days of the first piece that was turned in.

The IDA program administrator will review the submitted application to determine the eligibility of the prospective participant against program requirements. At the time of application, an eligible prospective participant must meet the following requirements:

- Household income must be at 200% or below the Federal Poverty Level (using the most recent federal guidelines not the program year)
- Must have a net worth of \$10,000 or less
- Must have **earned income** at least equal to the amount of his/her annual savings obligation
- Be a resident of the state of Indiana and have a valid Social Security Number
- Must NOT have established an IDA account previously nor can any other household member have established an IDA account
- Meet any additional requirements required by the IDA Administrator (i.e. service area limits, specific target population and any other requirements set by the administrator).

In addition to eligibility criteria, the IDA administrator should look for any potential barriers that may hinder the prospective participant's ability to successfully complete the program and purchase the desired asset.

After receiving a completed application, the IDA Administrator will have seven (7) business days to make a determination and alert the prospective participant of the following in a letter sent via mail or email:

- The participant is eligible and can start in the program immediately
- The participant is eligible but must be put on a waiting list

- The participant is eligible but the administrator has denied their application (reasons why must be included)
- The participant is not eligible and cannot participate in the program at this time (reasons why must be included)

Participation in the IDA program is generally granted on a first-come, first-served basis and cannot exceed the total number of participants awarded in the IDA Agreement. The seriousness and ability of the program applicant to actively save should be a factor in the review process before taking one of the participant slots. The CDC is allowed to use some of the awarded participant slots for agency staff who meet the program criteria. The total number of employee accounts must equal or be less than three (3) accounts or ten percent (10%) of the total participant accounts awarded on the IDA Agreement, unless otherwise approved by IHCD.

204 Household Determination

According to Indiana Code, only one member per household may establish an IDA. Information regarding the definition of what constitutes a household may be retrieved from any IDA Administrator.

The Federal government defines a household as all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals. Household members benefit from shared income and resources and contribute financially to each other's needs and expenses. This designation may include the prospective participant, his or her dependents and other household income contributors such as a spouse, partner, ex-spouse or ex-partner, parents or other relatives.

Determining the number of people in the household does not always equate to the number of people living in the residence. Individuals may live in the same dwelling, but not share financial resources or benefit from each other's income.

Example: Two people living in a home, dividing costs of rent, utilities, and food, who do not pool resources for savings or shared investments or assets would not count each other in determining household size or income. This may include relatives or friends who live together in a residence but who are considered as separate and independent from each other financially.

Conversely, two individuals may live in separate residences but share income, expenses and resources, including cases in which one person is supporting another financially or is a legal dependent. In such cases, the individuals would be considered a household unit.

Example: A college student who is living in a dorm but is claimed as a dependent on his/her parent's tax return should be treated as a member of his/her parents' household.

After determining household members, the total household income can be calculated. **The prospective participant must submit their individual income documentation and income documentation for all other members of the household.**

205 Income Determination

As defined by Indiana Code 4-4-28-6, a qualifying individual means an individual or household who:

- Is an Indiana resident; and either
- Receives or is a member of a household that receives TANF assistance. (Even if the prospective participant receives TANF, the household must have earned income to be eligible); or
- Is a member of a household with an annual household income that is less than 200% of the federal income poverty guidelines.

The chart below displays the maximum household income allowed based on household size using the 2019 Federal Poverty Guidelines. IDA Administrators should use the most up-to-date Federal Poverty Guidelines when income-qualifying a household. The figures below will most likely go out-of-date in early 2020, and new guidelines should be found online.

| 2019 | | Maximum Household Income Allowed (200% FPG) | | |
|--|-------------------------|---|------------|------------|
| Household Size | 100% Poverty Guidelines | Annually | Monthly | Bi-Weekly |
| 1 | \$12,490 | \$24,980 | \$2,081.67 | \$960.77 |
| 2 | \$16,910 | \$33,820 | \$2,818.33 | \$1,300.77 |
| 3 | \$21,330 | \$42,660 | \$3,555.00 | \$1,640.77 |
| 4 | \$25,750 | \$51,500 | \$4,291.67 | \$1,980.77 |
| 5 | \$30,170 | \$60,340 | \$5,028.33 | \$2,320.77 |
| 6 | \$34,590 | \$69,180 | \$5,765.00 | \$2,660.77 |
| 7 | \$39,010 | \$78,020 | \$6,501.67 | \$3,000.77 |
| 8 | \$43,430 | \$86,860 | \$7,238.33 | \$3,340.77 |
| For each additional person over 8 add: | \$4,420 | | | |

206 Earned Income

Earned income is a major factor in determining eligibility. **If the prospective participant does not have earned income, he or she will not be eligible for the IDA program.** Earned Income, as defined by the Internal Revenue Service (IRS), is “all income from employment, but only if it is includable in gross income.” Earned income generally includes all taxable income which individuals receive from working--income that is not taxable generally does not count as earned income.

Examples of earned income include:

- Taxable wages, salaries and tips
- Net earnings from self-employment to the extent such net earnings constitute compensation for personal services actually rendered
- Gross income received as statutory employee
- Federal Program Stipends such as AmeriCorps or Senior Aides

It is important to note that IDA Administrator *should* count net earnings from self-employment as a part of the income calculation.

Excluded from consideration as earned income are:

- Alimony and Child Support
- Welfare Payments
- Social Security Disability Income (SSDI)
- Supplemental Security Income (SSI)
- Federal Program Stipends
- Interest and Dividends
- Pension and annuities
- Worker's, Unemployment and Veteran's compensation benefits
- Salary deferrals, such as contributions to 401(k) plans, Federal Thrift Savings Plan income.
- Adoption Assistance

207 Income Documentation

The income eligibility determination must be based on total projected earned household income, as of the date of application to allow a prospective participant to be eligible to participate in the IDA Program. A prospective participant who wishes to have his or her IDA application accepted for review must submit the following documents for their entire household as part of his or her IDA application submission:

- Copy of the most recent two (2) weeks of consecutive pay stubs for all wage earners in the household.
- Copy of the prospective participant's most recent Federal tax return, filed less than 12 months prior to date of application.

Other income documentation that may be considered:

- Salary, wage statements or W-2 forms
- Third-Party Verification of employment income
- A statement signed and dated by the prospective participant or his/her parent/guardian, in the case of minors, that the prospective participant does have earned income such as an allowance. This method of documentation should be used only when it is not possible to use one of the above methods. A statement should be in the case file explaining why a self-declaration was used.

208 Income Calculation

To determine a prospective participant's projected income, IDA Administrators should follow the following steps:

Step 1 - Collect two (2) most recent and consecutive paystubs for each household member

Step 2 - Determine if income is consistent

- If income is inconsistent (hours, pay or overtime varies from week-to-week), then the IDA Administrators must use the 'Income Calc. Tax Return' tab on the Income Calculation sheet.
- If income is consistent (hours and gross pay remain the same week-to-week), then the IDA Administrators should enter the gross amount for 2 paystubs on the Income Calculation Worksheet. Administrators will not have to enter any additional information for the section as the spreadsheet auto-calculates eligibility based on program guidelines.

Step 3 - Complete and use IHCD's Income Calculation Worksheet (see Appendix M) to determine combined total annual income for EACH household member.

Note: If, at time of application, the prospective participant or any of his/her household members have more than one job, you must treat each job separately (as an individual) for purposes of completing the Income Calculation Worksheet (ICW) form.

- **Income Calculation Worksheet – Appendix M Tab Summary:** The following is a summary of the uses of each tab on the ICW. Please note that any areas on the spreadsheet that have blanks are meant to be filled, otherwise, the cells will auto-calculate based on the fillable information.
 - “Eligibility Summary”- Aside from the name and date of completion, this tab will auto-calculate from all other tabs to determine where a participant is eligible to participate in the IDA program.
 - “Income Calculation”- This tab will be used for individuals with consistent income for the majority of participants applying for the IDA program. If the participant has inconsistent (seasonal, part-time, etc.) income, please use the “Income Tax Return Tab”. If you use the “Income Calculation Tab”, **please do not use the Income Tax Return” tab.**
 - “Income Tax Return”- This tab is only to be used for inconsistent income and the “Income Calculation” tab should not be filled in if using this tab. This is to be used for part-time and seasonal workers as a more accurate annual income calculation.
 - “Net Worth Test”- This tab will be used to calculate the applicant’s net worth. The net worth test takes the household’s total assets (what everyone in the household owns) and then subtracts the household’s total liabilities (what everyone in the household owes) to see if it has a value of more than \$10,000. The following are not included in the IDA Net Worth Test: The applicant’s primary residence (asset), and associating liabilities (mortgage balance) and One motor vehicle (asset), and associated liabilities (outstanding loan). The asset portion of the motor vehicle is calculated from the Kelly Blue Book Trade-In Value.



Indiana Housing & Community Development Authority

PARTICIPANT ELIGIBILITY SUMMARY

| | |
|-----------------------|-------------|
| Name: | Test |
| Date Completed: | Participant |
| Household Size: | 2 |
| 200% based on HS: | \$32,040.00 |
| Household Income: | \$26,000.00 |
| NetWorth: | \$0.00 |
| Income Eligible? | Yes |
| Networth Eligible? | Yes |
| Eligible Participant? | Yes |

| | | Maximum Household Income Allowed (200% FPG) | | |
|---------------------------------|-------------------------|---|------------|------------|
| Household Size | 100% Poverty Guidelines | Annually | Monthly | Bi-Weekly |
| 1 | \$11,880 | \$23,760 | \$1,980.00 | \$913.85 |
| 2 | \$16,020.00 | \$32,040 | \$2,670.00 | \$1,232.31 |
| 3 | \$20,160.00 | \$40,320 | \$3,360.00 | \$1,550.77 |
| 4 | \$24,300.00 | \$48,600 | \$4,050.00 | \$1,869.23 |
| 5 | \$28,440.00 | \$56,880 | \$4,740.00 | \$2,187.69 |
| 6 | \$32,580.00 | \$65,160 | \$5,430.00 | \$2,506.15 |
| 7 | \$36,730.00 | \$73,460 | \$6,121.67 | \$2,825.38 |
| 8 | \$40,890.00 | \$81,780 | \$6,815.00 | \$3,145.38 |
| For each additional person add: | \$4,160.00 | \$8,320 | \$693.34 | \$320.00 |

209 Net Worth Test

For IDA-016FT, IDA Administrators must perform an asset test for all participants to determine further eligibility. According to Section 408(a)(2), a household's net worth must not exceed \$10,000 at the end of the calendar year preceding eligibility determination.

IDA Administrators should use the "Net Worth Test" tab on the Income Calculation and Net Worth Test worksheet to document eligibility. Using information obtained from the credit report, enter in the applicable amounts for each section of the Net Worth Test; IDA Administrators do not need to enter any additional information as eligibility will be auto-calculated based on the entered information.

210 Credit Report and Score

The credit report is a necessary tool to determine an IDA applicant's current net worth, so it's important that the report is less than 30 days old. An applicant should be able to get a free copy of their credit report; according to the FTC, "The Fair Credit Reporting Act (FCRA) requires each of the nationwide credit reporting companies — Equifax, Experian, and TransUnion — to provide you with a free copy of your credit report, at your request, once every 12 months," (<https://www.consumer.ftc.gov/articles/0155-free-credit-reports>). An individual pulling their own report should not affect their credit score, since it's considered a soft inquiry rather than a hard inquiry; a hard inquiry usually only occurs when a lender needs to check credit history for a loan or credit card. More information about pulling a free credit report can be found on the FTC website: <https://www.consumer.ftc.gov/articles/0155-free-credit-reports>.

An updated credit score (less than 30 days old) is necessary as a part of the application process and then as part of the graduation process in order to show the impact of the IDA program on the participant over time. There are several free options for pulling a participant's credit score, and similar to the Credit Report pulling the score should not affect the score.

Both the report and the score should also be used to highlight any financial difficulties the IDA participant is facing that should be addressed during the program via credit counseling or other services.

If pulling either or both the credit report and score is an issue for an IDA applicant, the IDA administrator should contact IHCD to request approval to skip that part of the process.

211 Documentation of Identity and Residency

Reference: IC 4-4-28-7(c) establishing account; beneficiaries; residency

211.1 Residency

An IDA participant must be an Indiana resident and shall maintain residency in Indiana until the individual development account is closed.

211.2 Photo Identification

Each Applicant must submit a copy of his or her current driver's license, State issued ID, or other residency identification.

211.3 Social Security Number Validation

The IDA Applicant must present a valid social security number as a part of the eligibility process. The most acceptable form of is a social security card. However, other acceptable forms of documentation may be used as long as they are accompanied by photo identification (current or expired) to confirm the correct individual is associated with the SSN being supplied:

- A letter from the Social Security Administration
- A Social Security benefit letter is acceptable, as long as the full number is provided
- A benefit letter from another categorically eligible program, as long as the full number is provided
- Documentation from another categorically eligible program, as long as the full number for the participant is listed, such as, but not limited to:
 - Medicare Benefit Identification,
 - FSSA benefit letter,
 - U.S. Government Identification

- Indiana Government Identification (photo ID with SSN- i.e. Dept. of Corrections or an expired driver's license.)
- Benefit Statement
- W-2 or 1099 with original signature

According to the Social Security Administration, noncitizens may apply for a Social Security number if they have permission to work in the United States by the Department of Homeland Security. SSN documentation that reads, "Authorized for work use only," are acceptable. Individual Tax Identification Numbers (ITIN) numbers cannot be used in lieu of a social security number. Intentionally invalid SSN entry, Tax forms, other than a W-2 or Self-prepared tax forms (i.e. 1040, Income Withholding, etc.) cannot be used.

All IDA Administrators are required to retain a copy of the documentation used to verify the SSN. The documentation may be stored in the IDA participant's file or a separate file. However, the IDA Administrator must strike out all but the last four digits of the SSN, if the copy is retained in the IDA participant's file.

IHCDA Recommendation: *the agency should assist applicants to apply for social security numbers and the necessary documentation.*

212 Previously Established IDA Accounts

One of the eligibility criteria for an IDA account is that as Applicant cannot have opened an IDA account previously. This applies even if the individual did not complete the IDA program in the past.

Because the Indiana Code states "only one (1) member of a qualifying individual's household may establish an account," no current member of the Applicant's household can have opened an IDA account in the past as well.

To make sure this requirement is met, all members of an applicant's household must sign the No Previous IDA Account Affidavit.

213 Participant Readiness Assessment

Not every eligible prospective participant is an ideal candidate for the IDA program. Certain barriers that may impede a prospective participant's ability to save should be taken into consideration when screening prospective participant's for acceptance into the IDA program. Below is a list of characteristics which may adversely affect an individual's ability to save. Located in the Appendix P is a Participant Readiness Assessment Tool with some recommended questions that may help IDA Administrators determine if an individual is suitable for acceptance into the IDA program. IDA Administrators must take the time to assess the true readiness of the prospective participant and consider the following things.

Does the prospective participant have the following:

- Long-term goals?
- A clear asset purchase in mind?
- Stable employment?

- The desire and willingness to address credit issues which may hinder his or her ability to purchase an asset(s)?
- The ability to make routine deposits, as set forth in the savings plan agreement, totaling \$300/annually after the household's basic living expenses have been met?
- The desire and willingness to successfully complete Financial Education and other Asset-Goal Specific Training?
- The ability to participate in direct deposit?

Located in the participant application is a Financial Skills Assessment Tool with some suggested questions to help assess the prospective participant's financial knowledge and skills.

Some additional guidelines for assessing an applicant's suitability for the IDA program include:

- Prospective participants who demonstrate a high level of interest and motivation as well as an ability to participate in Financial Education Training and /or Financial Coaching should receive priority.
- Self-selection is an important criterion. If a prospective participant is interested in the IDA program and enthusiastic about the concept of asset building and IDAs, chances are he/she will make a good participant.
- Be careful of making assumptions based on income levels. Income is not a direct indicator of savings ability. Some participants with the lowest incomes have demonstrated a greater aptitude for saving.
- Consider prospective participants who are currently enrolled or have been enrolled in other programs at your agency. There is an increased level of trust, rapport, and understanding of the household's overall needs.
- If the entire family is enthusiastic about the IDA program, it will increase the likelihood of success. The determination of one member of the family to change behavior around savings and spending can be undermined if their spouse/partner or children constantly sabotage the process.

The Readiness Assessment tools should assist the IDA Administrator with determining whether the family has the capacity to take on a full savings program. If now is not the right time for them, direct them to resources at your organization or community partners that can help them move closer to its goals. Ensure that prospective participants understand that they are eligible to come back when their household factors have changed to create a more conducive environment for participation.

214 Frequency of Determination

Once a prospective participant has been accepted into the IDA Program and becomes an IDA participant, an IDA participant may not be disqualified due to changes in income, unless there is evidence that the IDA participant or a household member supplied fraudulent application information.

Re-determination

Re-determination of income is only necessary if 6 months have lapsed between the date of prospective participant's initial application and the date of the prospective participant's acceptance into the IDA program. Otherwise, the initial income determination will determine eligibility of an IDA participant until the savings goal is met or the individual is no longer an active IDA participant.

Age Requirement

While Indiana does not have a minimum age requirement to be eligible to participate in the IDA program, it should be noted that individuals under 18 years of age will require a separate financial literacy education which is more age appropriate.

215 Program Waitlist

A prospective participant may be placed on the “Wait List” for one of two reasons:

- The agency does not have funding available to support the participant for the project period
- The participant meets most of the eligibility requirements but needs to remove barriers that will impede successful completion of the program

Putting a client on the Wait List is left to the discretion of the IDA Administrator and does not require prior approval from IHCD.

Individuals placed on a waitlist should be encouraged to complete Financial Education Training prior to acceptance into IHCD’s IDA Program, as this is a great method of screening the enthusiasm and seriousness of potential IDA participants.

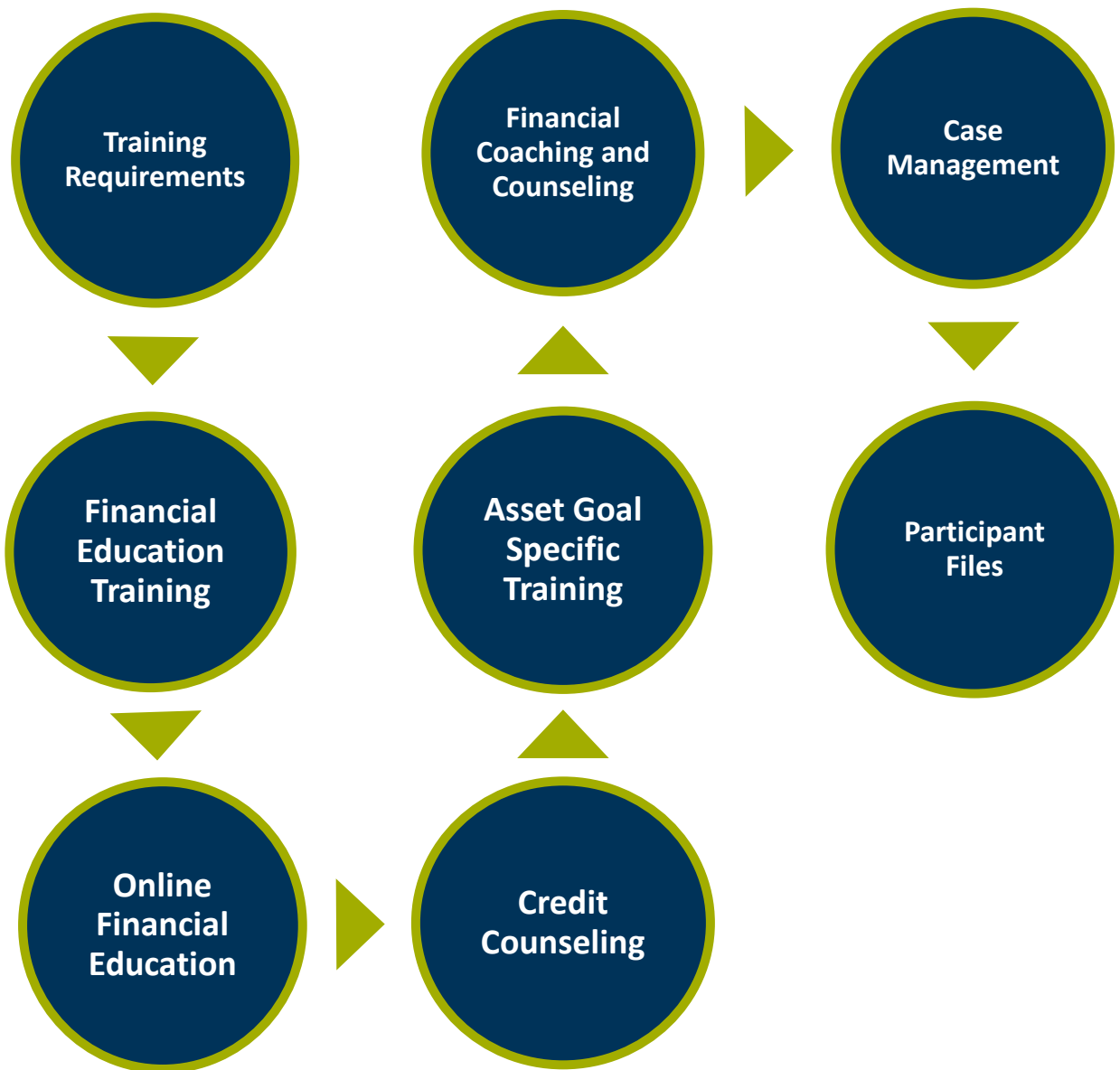
If an applicant is on a waitlist for more than six (6) months, they will have to submit new income documentation, a credit score and new credit report.

216 Beneficiary Designation

Upon acceptance into the IDA Program, each IDA participant must designate an account beneficiary in the event of his or her death. According to Indiana Code, when the account beneficiary is member of the IDA participant’s family as defined by Indiana Code, all funds (savings and match) will remain and the IDA will transfer to the designated family member, who is subject to the same rules and regulations of the IDA program as the deceased.

Conversely, when the designee is not a member of the IDA participant’s family, all matching funds are forfeited and returned to IHCD, while any personal savings will be transferred directly to the beneficiary.

According to AFI legislation, all remaining funds must be transferred to the beneficiary within 30 days after the account holder has passed away.



Section 300: Training Requirements

Each IDA participant must complete Financial Education and Asset Goal Specific Trainings as an IDA program requirement and before the first withdrawal is completed. Located in Appendix O is a sample IDA Training Log for tracking each IDA participant's training hours.

301 Financial Education Training

The purpose of financial education training is to help IDA participants further develop money management strategies and techniques. To do so, IDA participants are required to complete at least six (6) hours of core Financial Education training. Financial Education training must be completed by the IDA Participant within the IDA's participant's first year of participation in the IDA program. Participants cannot make any withdrawals until this training is completed.

IHCDA has not mandated a specific financial education curriculum that is mandated that IDA Administrators must use. However, the financial education curriculum should include the following topics:

- Setting long- and short-term goals
- Developing household budgets
- Developing systems to keep records for budgeting and income tax purposes
- Identifying how, why and when to use credit
- Repairing negative credit histories
- Determining why, where and when to use financial institutions
- Using tax credits to increase financial security (e.g. EITC, CCTC etc.)
- Financial goal setting: money values
- Net worth and income determinations and budgeting
- Consumer credit rights

Based on the curriculum requirements, IHCDA has recommended the following curricula for program IDA Administrators to consider.

- **MoneyWi\$e**, developed by Capital One and Consumer Action. For additional information, go to www.money-wise.org
- **Money Smart**, a curriculum available from the FDIC. Money Smart can be ordered through the FDIC website: <http://www.fdic.gov>
- **Your Money, Your Goals**, a curriculum available from the Consumer Finance Protection Bureau. It can be viewed at <http://www.consumerfinance.gov/your-money-your-goals/>.

IDA administrators may facilitate financial education through individualized or group meetings. Or, the IDA Administrators may refer clients to training partners or programs within the local community. All completed financial education should be documented in the IDA participant's file. Participants' completion of the financial education will be verified during compliance visits by IHCDA.

At this time, "Making Your Money Work" is not listed as a recommended financial education curriculum because the materials are outdated. IDA Administrators may continue to use the curriculum, but are strongly encouraged to find a more current financial education curriculum.

302 Online Financial Education

Resource: Appendix- IDA Resources

Online financial education is an alternative training option for IDA participants who are unable to complete the training options provided by the IDA Administrator. Like the financial education discussed in Section 301, the online financial education curriculum should meet the same curriculum requirements.

One example of an online financial education program is *Money Smart*. The training is located at: <http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>.

If an IDA participant chooses to complete an online course, the IDA participant must provide copies of completion certificates from the training entity to confirm that the training has been completed. Agencies should not recommend online training courses to the IDA participants that do not provide completion certificates.

IHCDA Recommendation: *Online training is way to reduce program administrative cost and provide more flexibility to the IDA participant in meeting their training needs.*

Training certificates will be reviewed during the compliance visit by IHCDA.

303 Credit Counseling

IDA Administrators are required to facilitate credit counseling with IDA participants. The counseling provides the IDA participant with an opportunity to assess the current state of his/her credit score and identify strategies to improve the credit score during the project period. Credit counseling must include, but is not limited to:

- Credit history assessment
- Credit repair assistance
- Credit stability counseling

304 Asset-Goal Specific Training

In addition to basic financial education, each IDA participant is required to complete asset-goal specific training, as appropriate for the IDA participant's asset purchase. This training must occur before the IDA participant makes his or her first withdrawal. Asset-goal specific training should last somewhere between 6-8 hours and should cover the following topics:

Example 1- the participant is purchasing a home where it has been determined additional IDA funds will be remaining. The participant decides to use the remaining funds on owner occupied repairs. The participant must take 6-8 hours of training for **both** Homeownership Counseling and Owner Occupied Repair.

Example 2- the participant is purchasing a vehicle. After the purchase, there are unexpected additional IDA funds still available so the participant decides to use those funds for education. The participant originally would have completed 6-8 hours of training for a Motor vehicle Purchase. The participant must now complete 6-8 hours of training for Higher Education or Career Counseling.

Homeownership Counseling

- Learn how much house you can afford;
- Understand what a sub-prime loan is and how to recognize predatory lending practices;
- Learn where to look for down payment and closing cost assistance;
- Learn how to qualify for Next Home, Next Home with Mortgage Credit Certificate, Mortgage Credit Certificate, My Home Conventional, or other USDA loan programs;
- Understand the settlement process;
- Get tips on how to maintain your home; and
- Learn how to avoid foreclosure.

Small Business Training

- Identify potential customers and target markets;
- Develop a business plan;
- Develop a marketing plan;
- Learn how to track the cash flow of your business;
- Learn about different types of small business loans; and
- Learn what professional resources are available.

Higher Education and Career Counseling

- Meet with a counselor to discuss your education/career goals;
- Write an education/career plan;
- Get help with the college search and application process;
- Learn about local job training programs and services; and
- Learn to identify different grants and scholarships which can help subsidize the cost of your education.

Owner-Occupied Repair

- What is a licensed and insured contractor;
- How to avoid predatory practices involving home improvement contractors;
- Seeking multiple estimates and cost comparison;
- Simple repair projects suitable for the homeowner; and
- Adding value to a home.

Motor Vehicle Purchase

- Predatory Lending;
- Kelly Blue Book;
- Where to obtain an auto loan;
- Tips and precautions regarding auto dealers;
- Basic auto maintenance overview; and
- Auto Insurance.

IDA Administrators may facilitate asset goal specific training through individualized or group meetings. Or, the IDA Administrator may refer clients to training partners or programs within the local community. All completed asset goal specific training should be documented in the IDA participant's file. Completion of IDA participant's asset goal specific training will be verified during compliance site visits by IHCD.

305 Financial Coaching/Counseling

In addition to completing financial education, IDA Administrators may provide IDA participants with additional financial coaching/counseling.

IDA Administrators may refer IDA participants to an individual case manager, or financial coach, to provide individualized support and assistance to enhance the financial education process.

Other IDA Administrators may use “Savings Clubs” as a group approach to supporting the financial education. Peer groups, or Savings Clubs, can:

- Offer IDA participants support from other people who understand through firsthand experience the challenges of long-term saving on a low income
- Provide a mechanism for IDA participants to meet regularly, refocus on their IDA goals and reflect on their progress and setbacks
- Help IDA participants develop strong personal ties with other savers and become invested in one another’s success
- Be a valuable form for resource sharing and joint problem solving
- Instill in IDA participants a feeling of accountability to one another

IHCDA Recommendation: Additional financial coaching is strongly encouraged as a mechanism for maintaining IDA participant enthusiasm, but is not required.

306 Case Management

Pairing case management with the financial coaching/counseling and training provides the IDA participant with a comprehensive and intensive experience. IDA Administrators may identify case managers to track the overall process of the IDA participant’s goals and savings plan agreements as well as assist the IDA participant with reducing barriers to success.

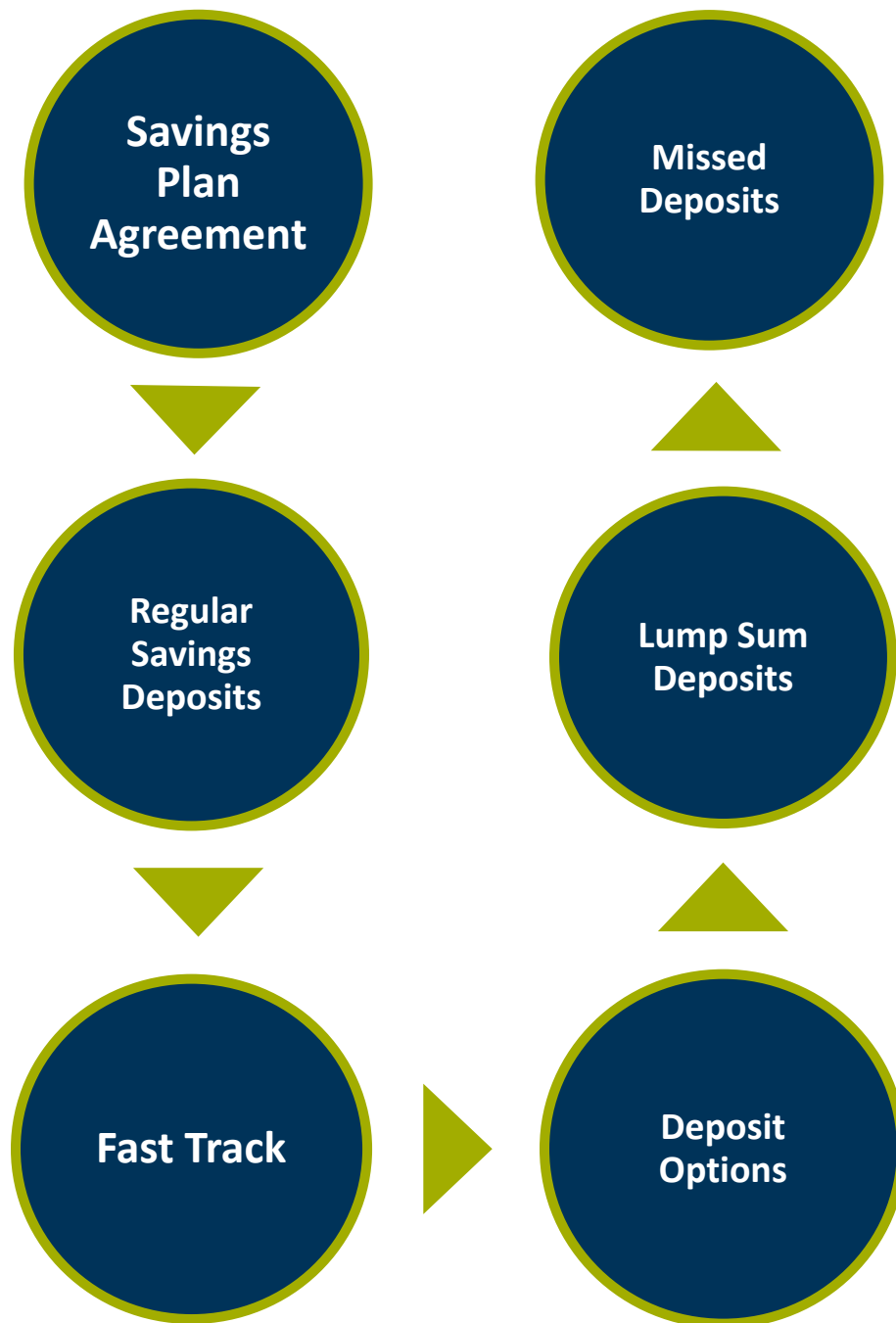
IDA Administrators may consider a few approaches when developing and implementing a case management program.

- LIHEAP’s Family Development Program
- Housing Choice Voucher’s Family Self Sufficiency Program

If the IDA Administrator does not plan to implement a full service case management program, then IDA Administrator should consider implementing the following techniques to maintain active IDA participant engagement.

- **Plan regular contact with your IDA participants.** Regular contact between your program staff and IDA participants is a way to combat isolation and discouragement. Regular newsletters, timely monthly account statements, and occasional “check in” phone calls will help IDA participants feel supported and keep IDA goals in the forefront of their minds.
- **Be alert and accessible.** Many IDA participants are inherently reluctant to seek out assistance or support, even when they feel overwhelmed or discouraged. Program staff should emphasize to IDA participants that they are available to offer assistance and back up this promise with visible policies and practices, such as setting standard “office hours”.

- **Foster successful peer support groups.** Fellow IDA participants can be one of the most effective sources of support and “preventive medicine” for IDA participants; IDA account holders can support one another especially well because of similar goals and obstacles.



Section 400: Participant Savings

Once accepted into the IDA program, IDA participants are expected to meet the following conditions to remain enrolled in the IDA program. The savings plan is the core component of the IDA program and the desired outcome for participation in the IDA program. Each IDA participant must sign and agree to the terms and conditions set forth in the Savings Plan Agreement.

401 Savings Plan Agreement

The Savings Plan Agreement reflects a commitment between the IDA Administrator and the IDA Participant. Each IDA participant must complete a Savings Plan Agreement that will outline the IDA participants and IDA Administrators' roles and responsibilities. The Savings Plan Agreement is located in Appendix E.

The Savings Plan Agreement ("SPA") outlines the following program requirements:

- Eligibility and Savings Period
- How a bank account is established
- Minimum savings deposit requirements
- Required trainings and workshops
- Uses of funds
- Savings and Purchase timeline
- Budget Workplan
- Withdrawal process
- Terms and Conditions
- Program Evaluation Consent
- Beneficiary Designation
- Roles and Responsibilities of the IDA Program Administrator

The SPA must be signed before a participant opens the IDA and is a mandatory part of the IDA program. The IDA participant should receive a copy of his/her SPA upon execution. A copy of the signed form must be included in the IDA participant's file. Signed forms will be reviewed during compliance visits by IHCD.

402 Regular Savings Deposits

Resource: Savings Plan Agreement

Each IDA participant can save a maximum of \$1,500 over the two year savings period while in the Fast Track IDA program. That savings goal should be divided into weekly, monthly, quarterly, semi-annual, or annual savings goals per year. Each IDA participant is strongly encouraged to make regularly (consistent) scheduled deposits into his or her personal savings account. IDA Participants should choose which savings plan will be most conducive to their life situation.

Savings Plan Example

Typical annual saving plan options:

- | | |
|----------------------------------|--|
| 1. Regular Weekly Deposits | <i>(approximately \$14.42/weekly)</i> |
| 2. Regular Bi-Weekly Deposits | <i>(approximately \$28.85/bi-weekly)</i> |
| 3. Regular Semi-Monthly Deposits | <i>(approximately \$31.25/per deposit)</i> |

- | | |
|-------------------------------|--|
| 4. Regular Monthly Deposits | <i>(approximately \$62.5/month)</i> |
| 5. Regular Quarterly Deposits | <i>(approximately \$187.5/ per three months)</i> |
| 6. Twice a Year Deposits | <i>(approximately \$375/per six months)</i> |
| 7. Once a Year Deposits | <i>(approximately \$750/per year)</i> |

IDA administrators should make their participants aware that while they can save more than \$750 a year, any amount over \$800 cannot be matched by IHCD until the next program year starts July 1st.

Overall savings plan to reach the IDA Program goal:

| Program Year | Participant Savings | Participant Match | Total Savings |
|--------------|---------------------|-------------------|---------------|
| Year 1 | \$750 | \$2,250 | \$3,000 |
| Year 2 | \$750 | \$2,250 | \$3,000 |
| Total | \$1,500 | \$4,500 | \$6,000 |

IDA Administrators should thoroughly review these options with IDA participants during the orientation process. **IDA Participants should be wise in choosing which savings option will be most conducive to their life situation.**

404 Deposit Options

IDA participants have three options for making deposits to their IDA:

Option 1: An IDA participant may arrange to have regular savings deposits made via direct deposit from his or her paycheck into his or her IDA. This is a great option, because it saves time, eliminates trips to the bank, and ensures that deposits are made automatically and on a regular basis.

Option 2: If an IDA participant's employer does not offer direct deposit, he or she can set up automatic payments from another savings or checking account to his or her IDA. Like direct deposit, this saves time, eliminates trips to the bank and ensures regular, timely deposits. **IDA participants are advised to make sure funds are always available on a monthly basis for the automatic transfer.**

Option 3: If an IDA participant is unable to set up regular electronic deposits, he or she must visit the partnering financial institution in order to make deposits. Since IDA accounts are not set up to have access to ATMs, or online banking the IDA participant will need to make his/her regular savings deposits during regular business banking hours.

For information on how to set up regular electronic deposits, please contact your local partnering financial institution.

405 Minimum Opening Deposit

To enroll into the IDA Program, IDA participants are required to open an IDA with an initial deposit of \$25. IDA Participants are eligible to receive matching funds once their initial deposit is made.

406 Maximum Match from IHCD

The IDA-016FT program is a 3 to 1 dollar match, so that once participants have saved \$1,500, they will be matched with \$4,500 in state funds. However IHCD can only match \$2,400 per program year. So if a participant deposits more than \$800 within one program year (July-June), anything over \$800 will be matched started the following year.

407 Savings Period

Each IDA participant will have up to **two years** for the IDA-016FT program, depending on when they open their accounts in relation to their IDA administrator's IDA016FT agreement term. By the end of the second year of the IDA Administrator's IDA016FT award (September 30, 2021), all IDA participants must finish their savings, make their asset purchases and close their accounts, in which case they would be considered "Graduates" of the program. If that does not happen, they must be reassigned to a more recent IDA award or be terminated from the program.

An IDA participant who does not complete the savings plan and terminates from the IDA program is called a Non-Graduate. A Non-Graduate may still have time remaining in his or her project period and have unused match funds. If there are match funds available and time remaining in the project period, the IDA Administrator may fill that slot with a new IDA participant. However, the new IDA participant must have the ability to fast track savings and complete the asset purchase in the remaining project period.

See Section 600 for closing accounts.



Section 500: Account Structure

501 Account Set-Up

Each IDA participant will establish two interest bearing, savings accounts. One account holds the IDA participants' personal savings, while the other holds the IDA participants' match funds. IDA participant savings accounts should be "custodial accounts" that are jointly owned by the IDA participant and the IDA Administrator. **As a custodial account, the IDA participant will have no direct access to the personal savings or matching funds other than his or her deposits;** all other transactions must be coordinated through the IDA administrator.

If a bank provides direct access to an IDA participant without prior approval, then the IDA Administrator or the IDA participant must report that partnering financial institution to the IHCD immediately.

502 Banking Features

IDA participants shall make regular deposits at designated locations as specified by the partnering financial institution and the IDA Administrator. **IDA participants may not make withdrawals without the written consent of the IDA Administrator.**

Each IDA must be fully restricted from ATM, telephone and online banking service features. This control has been put in place to ensure the safety of IDA participant funds (both individual and match) and to secure the integrity of the IDA Program.

IDA participants will receive monthly bank statements that detail deposits into the personal savings and match accounts. These deposits must be updated in OnlineIHCD at least quarterly for compliance with IHCD.

503 Match Process

The eligibility requirements to receive matching funds are:

- Submission of a completed IDA Application Packet and the required eligibility documentation;
- Used earned income as the source of funds on deposit;
- Started financial education training;
- In compliance with his/her Savings Plan Agreement; and,
- Deposited at least \$25.

IDA participant deposits will be matched at a rate of 3:1. As a part of the Fast Track program, participants must save \$1,500 in two years or less, to receive their full \$4,500 in match.

504 Submitting Match Claims

IDA Administrators are required to post deposits and submit match claims in OnlineIHCD at least quarterly. Deposits and match claims should be posted according to the following schedule.

| <u>Quarter</u> | <u>Claim Due Date</u> |
|--------------------------|-----------------------|
| October 1 to December 31 | January 31 |

January 1 to March 31
April 1 to June 30
July 1 to September 30

April 30
July 31
October 31

IHCDA will process claims for matching funds on at least a quarterly basis, as they are received from IDA Administrators. IDA Administrators are permitted to submit match claims from all IDA participants who have deposited at least \$25 and met all of the match requirements set forth in Section 503. IDA Administrators are strongly encouraged, but not required, to submit claims monthly. Adherence to the matching schedule will be monitored in compliance visits.

After the last quarter of each program year (July 1 to September 30) ends, IDA Administrators should continue to submit match claims for that program year only. Any match claim that is submitted between October 1 and October 31, will post to the previous program year that ended on September 30, not the new program year that begins on October 1. Match funds for the new program year cannot be distributed to IDA participants until after October 31.

505 Eligible Asset Purchases

IDA Participants may use their IDA personal savings and match funds for the following qualified asset purchases, as defined in IC 4-4-28-5:

To purchase a primary residence located in Indiana. Funds may be used to purchase a primary residence located in Indiana for the IDA participant or his/her dependent. Qualified purchases include a single site home, pre-fabricated house or condominium.

If participants have purchased their home using IDA funds and have additional funds remaining, they may use this as a one-time principal reduction.

To start or expand a small business located in Indiana. Qualified expenses include costs associated with stocking inventory, working capital, or business equipment, per AFI legislation. All business expenses must be included in an approved (qualified) business plan. Additionally, funds may be used for purposes of marketing and other start-up costs, provided all expenditures follow an approved marketing and communications strategy within a business plan.

Education and Job Training. IDA funds may pay for costs associated with attending an accredited institution of higher education, vocational school, or licensing training program that may lead to employment for the IDA participant or his/her dependent. Qualified expenses may include tuition, lab fees, books or the purchase of a computer for educational use. Per AFI legislation, educational expenses must be distributed to an accredited institution.

Owner Occupied Repair for a HOME Located in Indiana.

IDA funds can be used for essential owner occupied repairs to the home located in Indiana. The repair should be able to pass the four-prong test below by answering yes to all questions.

1. Is it necessary?
2. Is it permanent?
3. Does it add value to the home?
4. Is it for non-cosmetic Reasons?

Motor vehicle Purchase

The Purchase of a motor vehicle is defined as a motor vehicle that is a documented necessity to transport the individual to and from work, post-secondary education or an accredited or licensed training program intended to lead to employment of the individual or a dependent of the individual in Indiana. Appropriate documentation for the usage of a motor vehicle could include: calculation of long distances from the IDA participant's home to their place of employment or educational institution, bus schedules showing unreasonable time tables and connections, and the anticipation of increased wages due to more time on the job or access to better wages or employment due to reduced commuting time. Accounts established for motor vehicles must represent less than 30 percent of all those established by the IDA administrator. Funds can be used for the actual cost of the motor vehicle as well as one-time fees and taxes associated with the purchase of the motor vehicle. Motor vehicles may not be purchased through auctions. "Motor Vehicle" has the meaning set forth in IC 9-13-2-105(a). "Motor vehicle" means, except as otherwise provided in this section, a vehicle that is self-propelled. The term does not include a farm tractor, an implement of agriculture designed to be operated primarily in a farm field or on farm premises, or an electric personal assistive mobility device.

No payments will be dispersed directly to the IDA participant. All payments must be dispersed to the appropriate vendor.

Asset Purchase Quick Reference

| IDA Withdrawals | Home Purchase | Education & Job Training | Small Business | Owner Occupied Repair | Motor vehicle Purchase |
|---|---|--|---|--|--|
| Examples of Qualified Expenses | Settlement fees, financing or closing costs, title insurance, attorney fees, inspection fees, acquisition costs, appraisal fees, mortgage insurance (as part of closing costs) and other customary "pre-paid" expenses. | Tuition, lab fees, books, supplies or equipment (including purchase of a computer when directly related to a student's course work), room and board, registration fees and other costs associated with attendance. | Start-up inventory, licensing fees, supplies or equipment, marketing materials and other expenses as included in an approved business plan. | Energy-efficient windows, roofing, water heater replacement, insulation installation, heating and cooling, and other essential improvements. | Actual costs of motor vehicle purchase, taxes and one-time fees associated with the cost of purchasing a motor vehicle |
| Examples of Unqualified Expenses | Homes purchased on Land Contract, mobile home purchase, Rent-to Own or Lease-to-Purchase properties and general land acquisition. | Pre-existing school debt, rent, extra-curricular activities, travel and reimbursement for any qualified or non-qualified expenses. | Motor vehicle, Payroll, general funds/working capital and other expenses not included as part of an approved business plan. | Purchase of pool, cosmetic rehabilitation and other non-essential improvements | Insurance, gas, motor vehicle modifications or repairs |
| Payable To | The settlement IDA Administrator or title company. | Vendor | Vendor | Vendor | Vendor |

| | | | | | |
|--|---|--|---|--|--|
| Required Documentation for Withdrawal | Signed Settlement sheet, Good Faith Estimate, home appraisal estimate, proof of completion of homeownership counseling and evidence of any additional down payment assistance | Documentation of enrollment, Acceptance letter, copy of Bursar Bill, invoices and evidence of submission of Education/Career Plan. | Copy of approved business plan and copies of any relevant invoices or estimates | Estimates, invoices, pre and post photos when available, copy of rehabilitation plan | Purchase agreement/invoice, CarFax report, copy of license and insurance, title, bill of sale and motor vehicle registration |
|--|---|--|---|--|--|

506 Qualified Asset Purchase Procedure

IDA participants are permitted to make asset purchases once they have completed the mandatory financial education and asset-goal specific training and are in compliance with their Savings Plan Agreement.

Once an IDA participant is ready to make a qualified asset purchase, he/she should follow the procedure listed below:

1. Notify the IDA Administrator of the IDA participant's intent to purchase. IDA participants should request qualified withdrawals at least two weeks before the anticipated purchase date. It is a best practice to request a withdrawal for a purchase 30 – 60 days in advance.
2. Acquire necessary documentation for the asset purchase.
3. Set up appointment to meet with the IDA Administrator and complete the corresponding IDA Asset Purchase Withdrawal form. IDA participants should be certain to bring copies of any bills or invoices, as funds disbursed for a qualified asset purchase must be in the form of a check written to a third-party vendor.
4. **Note:** *If the cost of the asset purchase is more than the combined total of savings and match, the IDA participant must show proof that he/she can cover the difference in costs.*
5. Make arrangements with the IDA Administrator for a check disbursement. In most cases, the check will be mailed directly to the vendor unless other arrangements have been previously made.
6. Return copies of receipts resulting from the asset purchase – additional requests for withdrawals may be hindered until the IDA Administrator is supplied with receipts from previous IDA asset purchases.

The Withdrawal checklist is located in Appendix X.

507 Emergency Withdrawal Process

While strongly discouraged, emergency withdrawals may be approved at the discretion of the IDA Administrator at the agency- as stated in AFI Legislation in Section 404 (3)(A-C).

The following are examples of when an emergency withdrawal may be approved:

- To prevent eviction.
- To prevent foreclosure on an IDA participant's primary residence.
- To pay for medical care expenses or obtain medical care for the IDA participant, his or her spouse, or a dependent of the IDA Participant.
- To pay critical living expenses such as food supplies or heating expenses for the IDA participant following loss of employment.

Approved emergency withdrawals may only be made from an IDA participant's personal savings. Match funds may **NOT** be used for unqualified expenses, including emergency withdrawals. The IDA participant must understand that all emergency withdrawals must be repaid within 12 months of the withdrawal date. Moreover, once an emergency withdrawal has been approved, **match funds for qualified withdrawals are prohibited until such time that the emergency withdrawal has been repaid.**

Approval and amount of emergency withdrawal may be restricted at the discretion of the IDA Administrator due to the IDA participant's:

- Length of time participating in the IDA Program;
- Amount of funds deposited in the IDA participant's personal savings;
- The IDA participant's non-compliance with Savings Plan Agreement; and
- The IDA participant's frequency of emergency withdrawal request(s).

In the event of a **denied request for emergency withdrawal** by the IDA administrator, an IDA participant may choose to:

- Not make the emergency withdrawal and continue participation in the IDA Program.
- Withdraw from the IDA program and receive a full refund of all personal savings deposits and interest **and forfeit the right of future participation in the IDA program.**

To request an emergency withdrawal, an IDA participant should follow the procedure below:

1. Complete and submit a Withdrawal Form to the IDA Administrator. (located in Appendix R)
2. Schedule a meeting with the IDA Administrator to discuss the situation and review possible alternative solutions—most problems can be solved without having to withdraw funds out of an IDA participant's personal savings.
3. If approved, develop a revised savings plan that will allow withdrawn amounts to be re-deposited into the IDA participants account within 90 days from the withdrawal. When savings that were matched do not return to the IDA participant's IDA, any corresponding matching funds must be returned to IHCD.
4. Coordinate with the IDA Administrator to arrange for the withdrawal of funds from the IDA participant's IDA. Remember, any withdrawal from a custodial (joint) account requires a dual signature from the IDA participant and the IDA Administrator.

The IDA participant may be terminated if the participant fails to repay the emergency withdrawal within 12 months of the withdrawal date. The IDA participant will become a Non-Graduate and follow the closeout procedures in the Program Manual.

Important Note: Any **unauthorized withdrawal** from an IDA participant's matched savings account will result in immediate termination from the IDA Program, a lawsuit, or prosecution, and prohibition from future participation in the IDA program.

IDA participants should be encouraged to set up an additional personal savings account as well as a savings plan to fund that account. IDA participants should be encouraged to make withdrawals from this account to cover emergency expenses as they arise. This measure will assist participants in planning for unanticipated expenses rather than making emergency withdrawals from an IDA.

508 Account Garnishment

Federal law prohibits creditors from seizing federal assistance payments for programs such as Social Security, Supplemental Income (SSI) and veterans benefits. However, these laws do not apply to IDA accounts. That said, while banks may garnish funds held in an individual IDA account, banks may not garnish match funds, funded through the IDA program.

Effective May 2011, new Federal Laws require that banks comply with existing anti-garnishment laws. Under these regulations banks are now required to determine whether or not public assistance funds have been deposited into a beneficiary's account. This means, while match funds may be safe, personal savings may not, thus match funds may be recaptured by IHCD.

509 Reassigning a Participant Between Grants

According to AFI Information Memorandum (IM) 2004-03, grantee organizations have the option to reassign participants from an older AFI grant to a newer grant or from a newer grant to an older one, as an opportunity to maximize program results. An IDA Administrator may request that an IDA participant be reassigned to a newer IDA grant for one of the following reasons:

- An IDA participant needs additional time to meet the saving goals due to temporary disruption in employment or medical emergency.
- An IDA participant needs more time to mitigate issues that impede asset purchases, like credit repair or paying down debt balances.
- An IDA participant needs more time to develop a strong business plan and create a sustainable business.

Note that this is not an exhaustive list of possible reasons. IDA Administrators should handle reassignments on a case by case basis. Program guidance IDA 015-03 regarding Reassigning a Participant between AFI Grants is located in Appendix I.

Request Reassignment Approval

If an IDA Administrator determines that an IDA participant will need to be reassigned to a new grant, then the IDA Administrator must request prior approval from IHCD. The IDA Administrator must submit a

written request for reassignment and demonstrates that the IDA participants meet all of the eligibility requirements. The written request must acknowledge that the IDA Administrator is giving up a new slot for a pre-existing IDA participant. If the IHCD A approves the reassignment, then the IDA participant must sign the Reassignment Affidavit. The affidavit will outline the terms and conditions to move to a new grant.

Reassigning Match Funds

Any match funds that were claimed on the old award will need to be returned to IHCD A, and then match funds on the new award will need to be set aside.

1. Complete the Asset Purchase Withdrawal Form (keep a copy for the participant file)
 - Check the Re-Assignment ROF box
 - Complete the Description of Withdrawal by providing details of the reason for the reassignment
 - Checks payable to (Third Party Vendor): **IHCD A**
 - Provide the financial institution with the fully executed form with “wet” signatures
2. Submit a Repayment claim on OnlineIHCD A under the old grant, for the amount of match funds that must be returned
3. The financial institution or IDA Administrator must send a check and a copy of the completed Asset Purchase Withdrawal Form with the to:
IHCD A
ATTN: IDA Program
30 South Meridian St., Suite 900
Indianapolis, IN. 46204
4. The IDA Analyst will notify the agency Program Administrator when the check has been received from the financial institution and when it’s been match with the corresponding Repayment claim on OnlineIHCD A
5. Upon notification, the IDA Program Administrator will submit a new match claim for the participant in OnlineIHCD A under the new award
6. The reassignment process must also be documented in IHCD AOnline via the case notes:
 - Date of Reassignment notification by the agency to IHCD A
 - Amount of the personal savings balance to be transferred from the original grant
 - Amount of the match funds to be reallocated from the original grant
 - The new project period
7. The program administrator must change the participant information in Outcome Tracker to correspond with the new grant year.

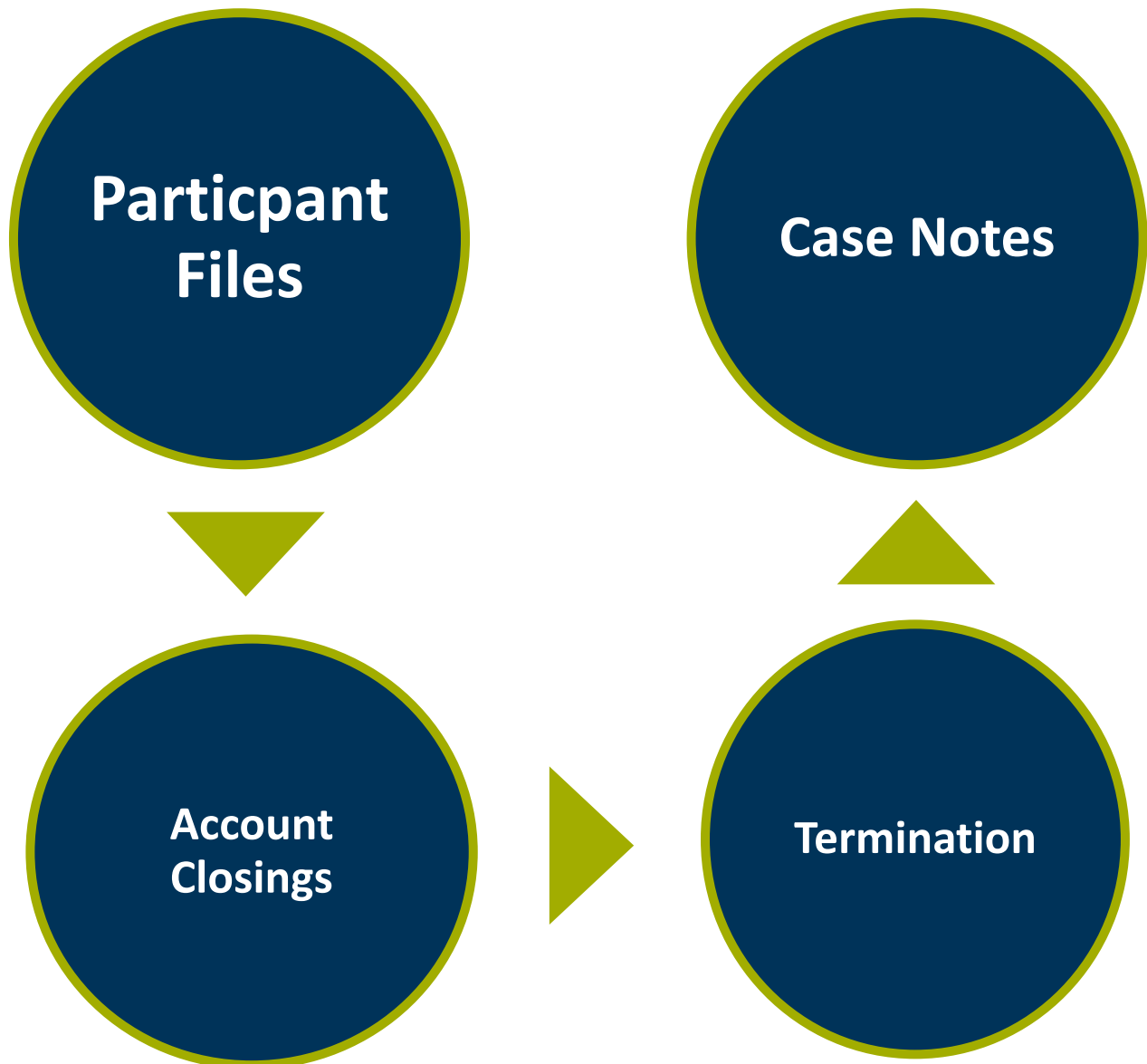
Reassigning from a New Grant to an Old Grant

According IM 2004-03, grantees have the option to reassign a participant in a new grant to an old when the participant has completed the savings and asset purchases. The goal of this transfer is to demonstrate earlier program success. IHCD A will not allow this type of transfer for IDA participants.

See IDA015-03 with more information and the affidavit for reassigning participants.

510 Filling an Empty Slot

IDA Administrators may choose to fill an IDA participant slot when that IDA participant has been reassigned or terminated his or her participation. To fill the slot, the original IDA participant must not have used any of the allocated match funds for the project period. If a new IDA participant fills a slot from a Non-graduate or reassigned participant, the new IDA participant must make his or her asset purchase by the end of the original project period. The IDA Administrator must ensure that the new IDA participant has the entire match allocation (\$4,500) available.



Section 600: Participant Files and Account Closings

Required IDA Participant File Structure

Pocket 1- Application

- IDA Application
- Savings Plan Agreement with Beneficiary Information
- IDA Release of Information with signatures of Participant, IDA Participant AND Witness
- Copy of Participant's Driver's License (or state issued ID) and Social Security Card

Pocket 2- Financial Summary

- IDA Income Calculation Worksheet
- 2 most recent and consecutive pay stubs for everyone in the household
- Prior Year Income Tax Return
- Credit Score (or documentation stating the Participant has no Credit Score)
- Personal Budget

Pocket 2- Training

- IDA Training Log
- Certificate of Completion of Financial Literacy Training
- Certificate of Completion for Asset Specific Training

Pocket 4- Deposits/ Match

- Proof of Deposits –Bank statements, Deposit slips, etc.

Pocket 5- Withdrawals

- Asset Purchase Withdrawal Forms (ordered sequentially)
- Original Receipts for Purchases
- Duplicate Copy of the Check if provided by Financial Institution

Pocket 6- Communication/ Close-out Form

- Copy of any Communication with the IDA Participant such as Quarterly statements, Email Communications, Letters Sent via US Mail, Etc.
- Post Financial Skills Assessment
- Post Credit Score
- Close-Out Form when the Account is Closed (Please send signed copy to IHCD)

601: Account Closings

There are two types of account closings: "Graduate" or "Non-Graduate." The goal of the IDA program is to have every IDA participant graduate by the end of their project period. Despite best efforts, not all IDA participants are ready for long-term savings and asset ownership.

A **Graduate** has successfully completed the savings plan, received all match funds, made all asset purchases, and completed the IDA program by the end of their project period. The Graduate will have no funds remaining in the personal savings or match accounts. The Graduate will continue to be ineligible for an IDA in the future.

A **Non-Graduate** has been terminated from program participation for one of the following reasons:

- Made an unauthorized withdrawal from the personal savings or match accounts
- Voluntarily terminated participation due to personal circumstances or did not find the IDA program to be a good fit for his/her financial status
- Exceeded the project period without using all of the personal savings or match funds
- Moved out of State

When an IDA is closed for a Non-Graduate, the personal savings (plus interest) will be sent back to the last known address of the IDA participant and any remaining match funds (both federal and state) will be sent back to the IHCD. The account status will be changed to Closed. The Non-Graduate will be ineligible for future IDA accounts.

602: Returning Unused Funds

In the event that the agency confirms needs to return clients savings fund and/or IHCD match funds follow this process:

Steps to Return Funds to the Participant and Close Savings Account

Step 1: The agency needs to fully execute the “IDA Account Close-out Form” that the client must sign

Step 2: The agency sends the ‘IDA Account Close-out Form’ to the financial institution so that they can release funds from the participants’ savings account to the participant.

Step 3: Update participant financial information in Outcome Tracker

Step 4: Place a copy of the document in the client’s file

Steps to Return the Funds to IHCD and Close Match Account

Step 1: The agency sends the ‘IDA Account Close-out Form’ to the financial institution.

Step 2: Enter the Return of Funds or Repayment claim in IHCDonline for the matched savings account within 5 business days of submitting the close-out form to the financial institution. Make a copy of the ihcdonline Claims receipt.

Step 3: Update IHCD match funds in Outcome Tracker

Step 4: Email a copy of the following documents to IDA@ihcd.in.gov:

The Executed “Close-out Form”

The claim Receipt

Step 5: Place copy of all documents in the participant’s file.

Note: IHCD will send a confirmation email stating they received the check and its amount.

603: Participant Termination

IHCD reserves the right to dismiss an IDA participant who fails to meet, or is in violation of, IDA program requirements, as set forth in Indiana Code the IDA Savings Plan Agreement or Participant Handbook. Examples of behavior which merit dismissal from the IDA program are:

- Falsifying personal, income or application information.

- Non-compliance with the IDA Savings Plan Agreement, including failure to comply with IDA savings requirements.
- Failure to return funds used for an Emergency Withdrawal within the 12 month period preceding the date of the Emergency Withdrawal.
- Failure to complete Financial Literacy Education or Asset-Goal Specific Training.
- Unauthorized savings withdrawal(s).
- Failure to “graduate” from IDA program and draw down funds within 12 months preceding last match opportunity.

Termination from the IDA program can be made at the discretion of IHCD or the IDA Administrator. To avoid termination and loss of match funds, it is recommended that each IDA participant keep in regular contact with his/her IDA Administrator, especially in the event of a loss of income or other household changes that may negatively impact the IDA participants’ ability to save.

Failure to comply with these requirements may not only result in dismissal from the IDA program, but also, the ability of the IDA participant to participate in the IDA program in the future.

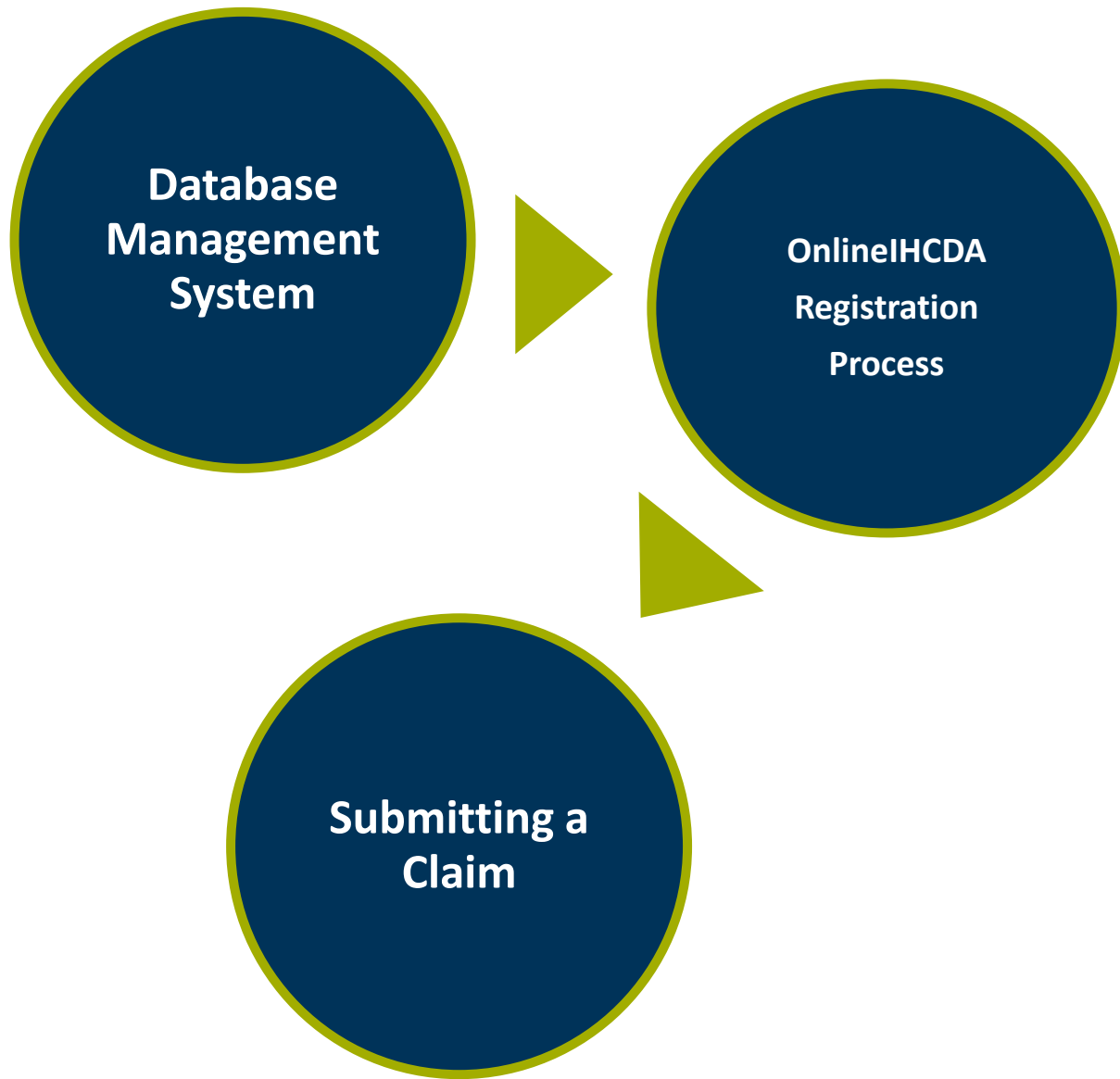
As with regular account closures, once an IDA participant is terminated from the IDA program, the IDA will be closed and the bank should send any personal savings (plus interest) accrued to date to the last known address of the IDA participant, while matching funds should be sent back to IHCD. The IDA status will be changed to Closed. The IDA participant will be ineligible for future IDA accounts.

604 Adding Case Notes

When closing the IDAs (both active and expired), IDA administrators must enter case notes regarding major activities that take place with the financial transactions. The case notes should document:

- If the IDA participant changes his or her asset goal
- If the IDA participant closes its IDA and chooses not to participate in the IDA program any longer
- If the IDA participant files an appeal regarding the process and action steps completed by the IDA administrator.
- If and why the IDA participant has been terminated by IHCD or the IDA Administrator.

See Policy Guidance IDA-015-01 located in the Appendix regarding the process for closing these IDAs, IDA participant letters, and frequently asked questions.



Section 700: Database Management and Reporting

701 Tracking Participants

Outcome Tracker by VistaShare is the cloud-based client management software used to assist IDA Administrators with case management. Outcome Tracker is flexible, allowing data to be collected from intake, to providing services, and eventually closeout.

It is critical that all data be both compete and current because the systems reporting features allows the program administrator to measure client demographics and analyze data including participant and program outcomes.

The U.S. system can be found at **www.vistashare.com**. However, the system may have trouble operating through the Google Chrome browser.

Each new IDA agency program administrator will need to request an account be created by IHCD so you will have access to the system.

IHCDA recommendation: Under the support tab is resources such as user guides and tutorials to assist in navigating Outcome Tracker

702 Submitting Claims

Claims for matching funds and administrative funds must be made on **Online.IHCDA.in.gov**. New organizations and new users at returning organizations will need to register. Follow the instructions in the IDA Guide to IHCDOnline found in the appendix.

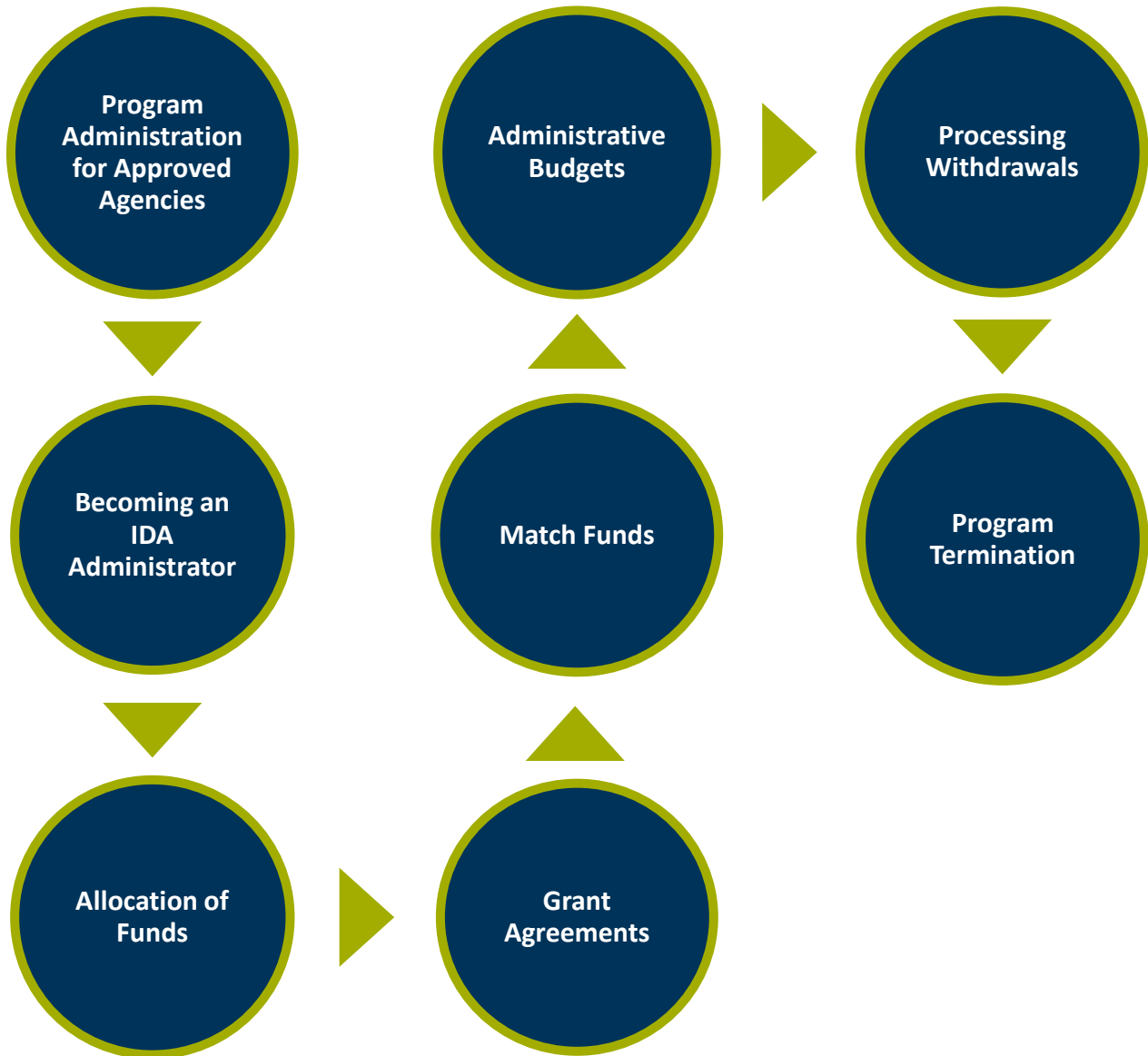
Section 800: Financial Institutions

Each financial institution that hosts IDAs is required to submit a signed IDA Program Memorandum of Agreement (MOA) to IHCD. The MOA outlines the financial institution's obligations as a servicer for IDA participant savings and match funds. Failure to adhere to the terms and conditions of the MOA may result in the financial institution's participation in the IDA program being terminated or having to repay funds associated with IDAs that are not managed properly by the financial institution. The MOA is located in Appendix CC.

Each MOA is effective for IDA Administrator's entire award period and outlines the following responsibilities of the financial institution, along with some other terms and conditions:

- A. Establish **two** (2) (individual Savings account and parallel match account) accounts for each IDA saver as joint, **custodial accounts** with the IDA Administrator a/k/a the CDC designated as the custodian. These accounts should be flagged as "IDA" accounts and should have **participant access limited to deposits only**.
- B. Offer financial services related to the establishment and maintenance of the IDA at no cost to the account holder.
- C. Guarantee all IDA accounts earn at least the market rate of interest.
- D. Educate bank staff on IDA's and designate an IDA contact person.
- E. Permit deposits be made to an IDA account by either the IDA participant or the CDC, on behalf the IDA participant.
- F. Deposit State and/or AFI match dollars in the amount indicated and delivered by IHCD into the respective parallel IDA match account.
- G. Ensure **all** withdrawals (from either personal and/or match accounts) have been authorized by the administering CDC, and have any requisite documentation attached.
- H. Ensure that IDA accounts (personal and match) have access restricted from ATMs, online banking and/or telephone banking features.
- I. Ensure that Checks (for purposes of an asset purchase) be written to a **third-party vendor**. IDA participants **MAY NOT** be listed as remitters on any check, unless for purposes of an emergency withdrawal.
- J. Ensure that funds disbursed for Emergency Withdrawals be withdrawn from only the IDA participants' personal savings.
- K. Provide the CDC with monthly statements of all deposits into and withdrawals from each designated IDA account and coordinate with administering IDA Organization as to the proper procedure for dissemination of the individual saver's monthly statement.
- L. Maintain communication and provide updates to the administering CDC and IHCD on the status of accounts upon request.
- M. Maintain accounts in accordance with applicable state and federal regulations.

Failure to comply with the terms and conditions set forth in the MOA may result in termination of the financial institution's participation in the IDA program. IDA Administrators should distribute copies of the MOA to the financial institutions. They may return original forms with signatures to IHCD with the MOA or have the financial institution send the forms directly to IHCD. However, an original form must be received by IHCD before claims can be processed.



Section 900: Program Administration for Approved Agencies

Each year, IHCDCA awards funding to eligible non-profits, Community Action Agencies and Community Development Corporations across the State of Indiana to administer the IDA Program and the participant accounts. This is done through a competitive program application process. IHCDCA will assess the total number of IDAs requested by the IDA Administrators during the application process and allocate IDAs based on past performance and criteria established in the Program Administrator's Application. Finally, the IHCDCA Board of Directors will approve agency funding.

901 Grant Agreements

Resource: Individual Development Account Program Participation Agreement

IDA Administrators will receive an IDA Program Participation Agreement from IHCDCA to manage the IDA accounts.

The effective date or start date, is the first day that participants can be officially enrolled in the program and be entered into the program administrative database. The expiration date, is the last day of the agreement. All program funds (administrative and match) must be fully processed and expended by that time. This means that all match claims must be made and all asset purchases must be completed by the end of the grant agreement. If administrators need extension to allow participants to make their asset purchases, they will need to request that extension from IHCDCA staff.

Administrative work should be completed by the end of the grant agreement. Admin claims can be made up to 45 days after the agreement ends.

902 Grant Closeout

A. The CDC must submit, no later than forty-five (45) days after the grant agreement expiration date, all financial, performance information and other information as required by the terms and conditions this Agreement and the IDA Program Manual.

- 1) This means that all claims must be submitted, including admin and return of funds claims
- 2) All accounts must be closed and confirmation sent to IHCDCA staff
- 3) Outcome Tracker information for all accounts under this agreement must be updated and show that accounts are closed.

B. The closeout of the IDA award does not affect any of the following:

1. The right of IHCDCA to disallow costs and recover funds on the basis of a later audit or other review.
2. The obligation of the CDC to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.
3. Audit requirements in subpart F of 45 CFR 75.
4. Property management and disposition requirements in 45 CFR 75.317 through 75.323.
5. Records retention as required in 45 CFR 75.361 through 75.365.

903 IDA Administrator Bank Account Structure

Each IDA participant should have two custodial accounts opened: one for their personal savings and one for their matching funds.

In addition to those accounts for each participant, each IDA Administrator needs to have two other accounts set-up in order to participate in the program: an account for their administrative dollars and a holding account for matching dollars.

The Administrator will need to send a completed ACH form to claims@ihcda.in.gov for both accounts. The account for administrative dollars can be a new account or an account the organization already uses for other programs.

The holding account needs to be a separate account set aside for matching dollars only. When the Administrator makes a claim for matching dollars in OnlineIHCD, those dollars will be sent to the holding account. After the claim has been made and approved, the Administrator will need to send the bank the list of matching accounts the claim dollars are for and the amounts that need to go into each account. When the bank has both the list and the funds from IHCD, it will disperse the funds in the holding account based on the list from the administrator.

If an administrator ever changes banks, new ACH forms will need to be filled out and emailed to claims@ihcda.in.gov, so IHCD knows where to send funds.

Under no circumstances should match funds ever go through the administrator's account set-up for administrative funds, or any other account other than the holding and individual match accounts.

904 Submitting Claims for Match Funds

When submitting claims for matching funds for IDA participants, half of the claimed funds must come from state funding, while the other half must come from federal funding. If a participant uses all \$4,500 allowed for their match (for \$1,500 saved), \$2,250 total will come from state funding and \$2,250 will come from federal funding.

As stated in Section 504, agencies must post deposits and submit claims at least quarterly to ensure timely reporting. The posting schedule is posted below.

| <u>Quarter</u> | <u>Claim Due Date</u> |
|--------------------------|-----------------------|
| October 1 to December 31 | January 31 |
| January 1 to March 31 | April 30 |
| April 1 to June 30 | July 31 |
| July 1 to September 30 | October 31 |

After the last quarter of each IDA program year (July 1 to September 30) ends, IDA Administrators must continue to submit match claims for that program year only. Any match claim that is submitted between October 1 and October 31, will post to the previous program year that ended on September 30, not the

new program year that begins on October 1. Match funds for the new program year cannot be distributed to IDA participants until after October 31.

904 Administrative Budgets

The IDA program provides \$500 for each account awarded toward administrative expenses.

The administrative budget is not tied to match funds. IDA Administrators are eligible to use the entire admin budget, even if the IDA Administrators do not use all of the match funds. IDA Administrators must submit expenses within 45 days of the occurrence. For more information about the required documentation for submitting IDA Administrative claims, agencies must review the IHCD A Claims Submission Manual for Back up detail requirements.

905 90 Day Notice for Program Termination

According to the IDA Program Participation Agreement, IHCD A has the option to terminate an IDA Administrator's participation in the program. IHCD A must provide the IDA Administrator with a 30-day notice and specify how service delivery will take place after termination has been rendered. On the other hand, an IDA Administrator may terminate its participation in the IDA program as well. The IDA Administrator must provide written notice at least 90 days in advance.

The IDA Program Participation Agreement includes a "Survival Clause", thus, even though an IDA Administrator may terminate the IDA Program Participation Agreement, the IDA Administrator is bound to "Administer all IDA's established by or transferred to the CDC for the life of the account." The IDA Administrator's participation will terminate after the last IDA has expired. Whenever a termination notice is provided (either by IHCD A or the IDA Administrator), the survivorship of accounts will be assessed so that both parties have a clear understanding of how long the IDA Administrator will be engaged in administering the remaining IDAs.

906 Maintaining Participant Files

Good program management is not limited to case management; it also extends to an organization's record keeping practices. IDA Administrators are responsible for keeping comprehensive and up-to-date IDA participant files. Below are some examples of what a typical IDA participant file should include (* items are required). Please see Section 600 for the checklist of items to be placed in a participant's file.

907 Confidentiality

All applications, bank statements, documents and other files related to an IDA participant must be kept confidential by IHCD A and IDA Administrators. Due to reporting requirements, certain information may be shared with Family and Social Services Administration (FSSA) or the U.S. Department of Health and Human Services (HHS). However, at no time will any information unnecessarily be shared with anyone not affiliated with Indiana's IDA Program. A Release of Information form is located in Appendix Q.

908 Non-Discrimination

Non-Discrimination Under Programs Receiving Federal Financial Assistance

- No person shall, on the grounds of race, gender, age, creed, ethnic origin, disability, or sexual orientation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination in Indiana's IDA Program.

Non-Discrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance

- No otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefit of, or be subjected to discrimination in Indiana's IDA program

Non-Discrimination on the Basis of Age in Programs and Activities Receiving Federal Financial Assistance

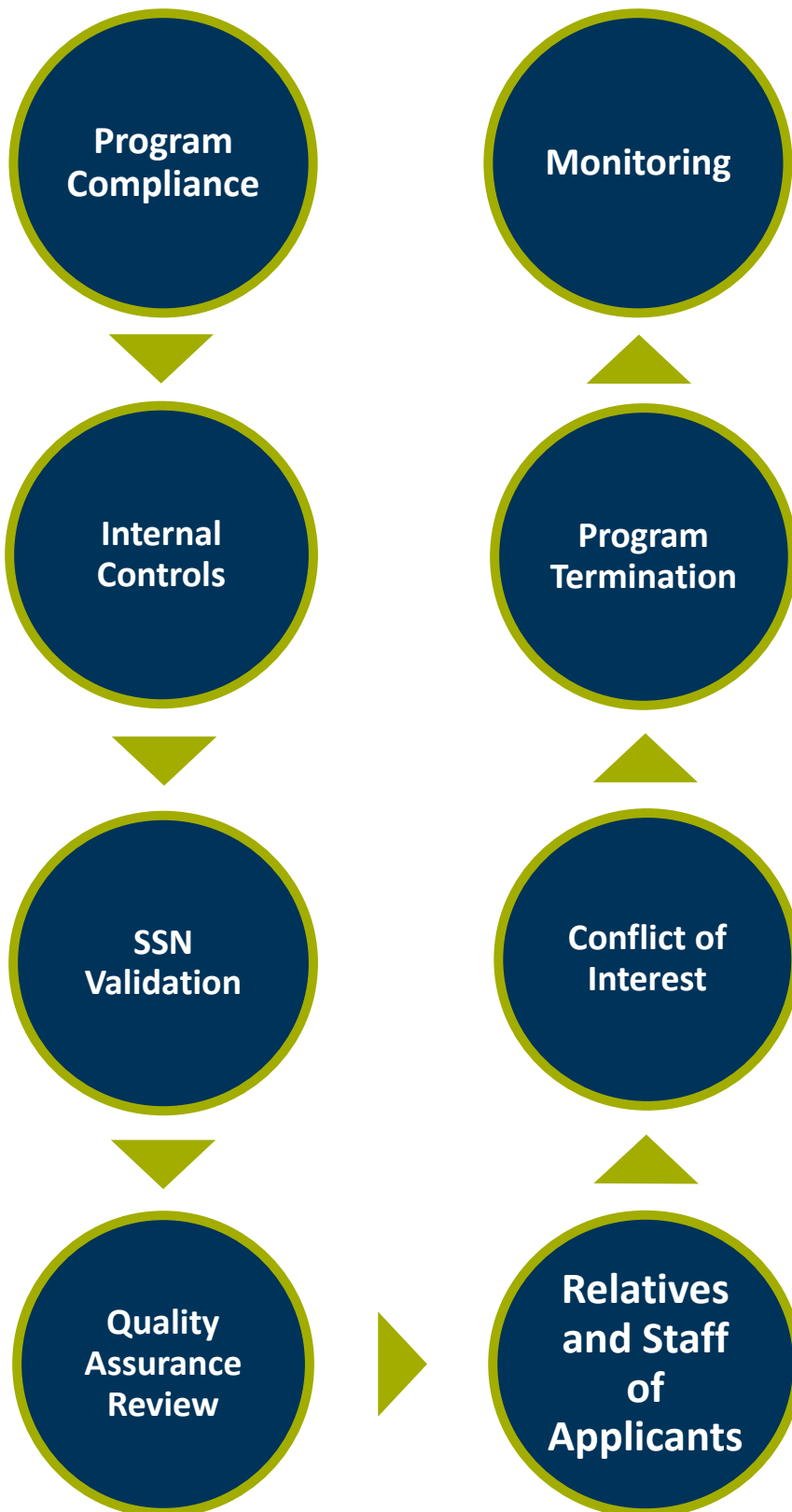
- No person shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity receiving funds provided through the Indiana's IDA program.

Non-Discrimination on the Basis of Sex in Education Programs and Activities Benefiting from Federal Financial Assistance

- No person shall be subject to discrimination on the basis of sex in Indiana's IDA program or any activity receiving Federal financial assistance, whether or not such program or activity is offered or sponsored by an educational institution.

Meaningful Access to Limited English Proficient Persons

- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the IDA Administrator must take reasonable steps to ensure meaningful access to activities for LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.



Section 1000: Program Compliance and Monitoring

Starting with the 2017 program year, IHCD will be developing and implementing an IDA Program Compliance system for monitoring IDA Administrators. The compliance system will ensure that the IDA Administrators have effective internal controls over program operations and financial transactions. The new compliance system will include the development and implementation of agency level internal controls and a monitoring program.

1001 Internal Controls

Effective November 1, 2014, all approved IDA Administrators must complete and submit a copy of their agency's internal controls for the IDA program. The internal controls are designed to follow the IDA program administration policies and procedures as well as protect the funds from fraud, waste, and abuse. IHCD will evaluate the internal controls as a part of the monitoring program.

The internal controls must include policies about:

- How to complete an application with proper signature approval process outlined
- How to complete the eligibility review and assessment(s) with internal quality review process included
- How to retain copies of identification and social security cards in participant files or other locations
- How to approve IDA participant files for employees, board members, or families of either employees or board members
- How to approve and complete withdrawals and asset purchases
- How to properly close an account at the agency, at the bank, and remit information to IDA

All IDA Administrators must remit copies of their internal controls to IHCD for approval within six (6) months of receiving the new IDA Program Participation Agreements.

1001.1 Social Security Number Validation

The most acceptable form of SSN is the card. However, other acceptable forms of verification include:

- A letter from the Social Security Administration.
- A Social Security benefit letter is acceptable, as long as the full number is provided and a photo identification card is reviewed.
- A benefit letter from another categorically eligible program, as long as the full number is provided and a photo identification card is reviewed.

All IDA Administrators are required to retain a copy of the documentation used to verify the SSN. The documentation may be stored in the IDA participant's file or a separate file. However, the IDA Administrator must strike out all but the last four digits of the SSN, if the copy is retained in the IDA participant's file.

1001.2 Quality Assurance Review

Though not currently required, IDA Administrator are strongly encouraged to develop a quality assurance process that will verify that the IDA application has been completed according to the policies set forth in

this manual and that the IDA participant file is properly documented. A complete file will contain all of the following documentation.

- IDA Participant Application
- Savings Plan Agreement
- Release of Information
- Training Logs
- IDA Training Certificate of Completion
- SS# documentation
- Income verification documentation
- Copy of Personal Budget
- Contact Log and Case Notes
- Copies of correspondence
- Monthly Savings Log
- Withdrawal(s) Request Forms with supporting documentation
- Credit Report
- Bank statements
- Deposit forms
- Match Request Forms

1001.3 Processing Applications of Relatives and Staff

Any prospective participant, employed by the IDA Administrator full-time, part-time or contractually, defines the IDA Administrator's staff. Relatives are any person(s) applying with the following relationship to a staff or board member:

- Spouse
- Sibling
- Parent or Grandparent
- Child or Grandchild
- Brother or Sister-in-law
- Aunt or Uncle
- Niece or Nephew

Any staff of IDA Administrator or relative of staff of an IDA Administrator completing an application for IDA benefits should have his or her file reviewed by the Program Manager or Executive Director upon final determination for approval or denial of a benefit. Relatives of the Executive Director should have their file reviewed and approved by a designated member of the IDA Administrator's board or a board committee.

All required IDA policies, procedures and deadlines are applicable. IDA Administrators may store IDA participant files with the Program Manager or Executive Director, as an added measure of privacy for the IDA Administrator's staff and/or their relatives.

Each IDA Administrator should ensure that its Quality Assurance Review includes the following steps:

- Checking that all required documentation is in the file (see Appendix H)
- Ensuring that all files include a signature or initial of the manager or board member designated to approve the application

1001.4 Nepotism

IHCDA does not condone any impropriety, conflict of interest or nepotism. For that reason, IDA Administrator staff as well as friends or family members of IDA Administrator's staff are prohibited from participating in the IDA Program, at the IDA Administrator's program site where their affiliation takes place. Whenever possible, however, the affiliated individual may seek participation in IDA Program at a neighboring IDA Administrator.

Non IDA-affiliated staff of the IDA Administrator may be eligible for an IDA provided that the total number of employee accounts equals the lesser of three (3) accounts or ten percent (10%).

1001.5 Conflict of Interest

- A.** Conflicts Prohibited. No persons described in paragraph (B) of this section who exercises or has exercised any functions or responsibilities with respect to administering the IDA program for the IDA Administrator or who is in a position to participate in a decision-making process or gain inside information with regard to the IDA Program may obtain a financial interest or financial benefit from this program or have a financial interest in any contract, subcontract, or agreement with respect to the IDA Program, or the proceeds from activities related to the IDA Program, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.
- B.** Persons covered. The conflict of interest provisions of paragraph (A) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the IDA Administrator or relative of any of the above.
- C.** The IDA Administrator has an affirmative obligation under this Agreement to disclose to IHCDA if there is a conflict interest and IHCDA may grant an exception to the provisions of paragraph (A) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the IDA Program.
- D.** The IDA Administrator shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

1002 Monitoring

Monitoring is a good business practice that allows agencies to continually improve its outcomes as they strive to adopt high impact strategies to assist in meeting the needs of its community. Proper oversight and monitoring of IDA funds is important in order to ensure compliance with federal and state IDA policies, procedures, and law. Monitoring is also important in identifying additional controls and procedures that could strengthen the program at the local and state level.

Information gathered through this process is also used to make immediate or long term program improvements. Monitoring activities provide a crucial link between the State and the agency. Ultimately, monitoring is a series of checking functions focused on specific tasks and activities that are required to be completed.

Lastly, effective communication is vital in facilitating a good working relationship. The purpose of communication is to provide program objectives and requirements, assist in developing solutions to problems, to share program improvement ideas, and provide information on new developments. We operate with the basic belief that a team approach is in the best interest of the agencies long term growth and that the monitoring process is the mechanism for this interaction to occur.

IHCDA will notify the agency in advance of a monitoring visit.

1003 Monitor Preparation:

- A. At least 30 days prior to the IDA monitoring review, a notice letter will be sent to the Executive Director of the IDA Administrator. This notification may be included with the CAR or EAP monitoring notifications, when applicable.
- B. The monitor(s) will make travel arrangements, and gather all materials needed to conduct the monitoring review.
- C. The monitor(s) will review monitoring reports for the past two years, to ensure previous findings and concerns remain resolved and the IDA administrator is compliant.

1004 The Review:

- A. Desktop Monitoring review will be conducted by phone, whenever possible. If monitor(s) are on-site, the monitoring review will occur subsequent to an EAP or CAR review. The IDA Administrator's program staff should also attend the entrance interview, if applicable.
- B. The monitor(s) will conduct an interview, which will include any program staff working directly with the IDA program, as designated by the IDA Administrator's leadership. The interview will consist of questions, which assess program policy, procedures and client success.
- C. At the conclusion of an on-site monitoring review, the lead monitor will conduct an exit interview with the same agency personnel that attended the entrance interview. All outstanding items, findings, concerns, suggestions, and comments will be discussed. This will ensure that all surprises or confusion are avoided when the monitoring report is issued.
- D. All persons attending the exit interview will sign the exit interview form.

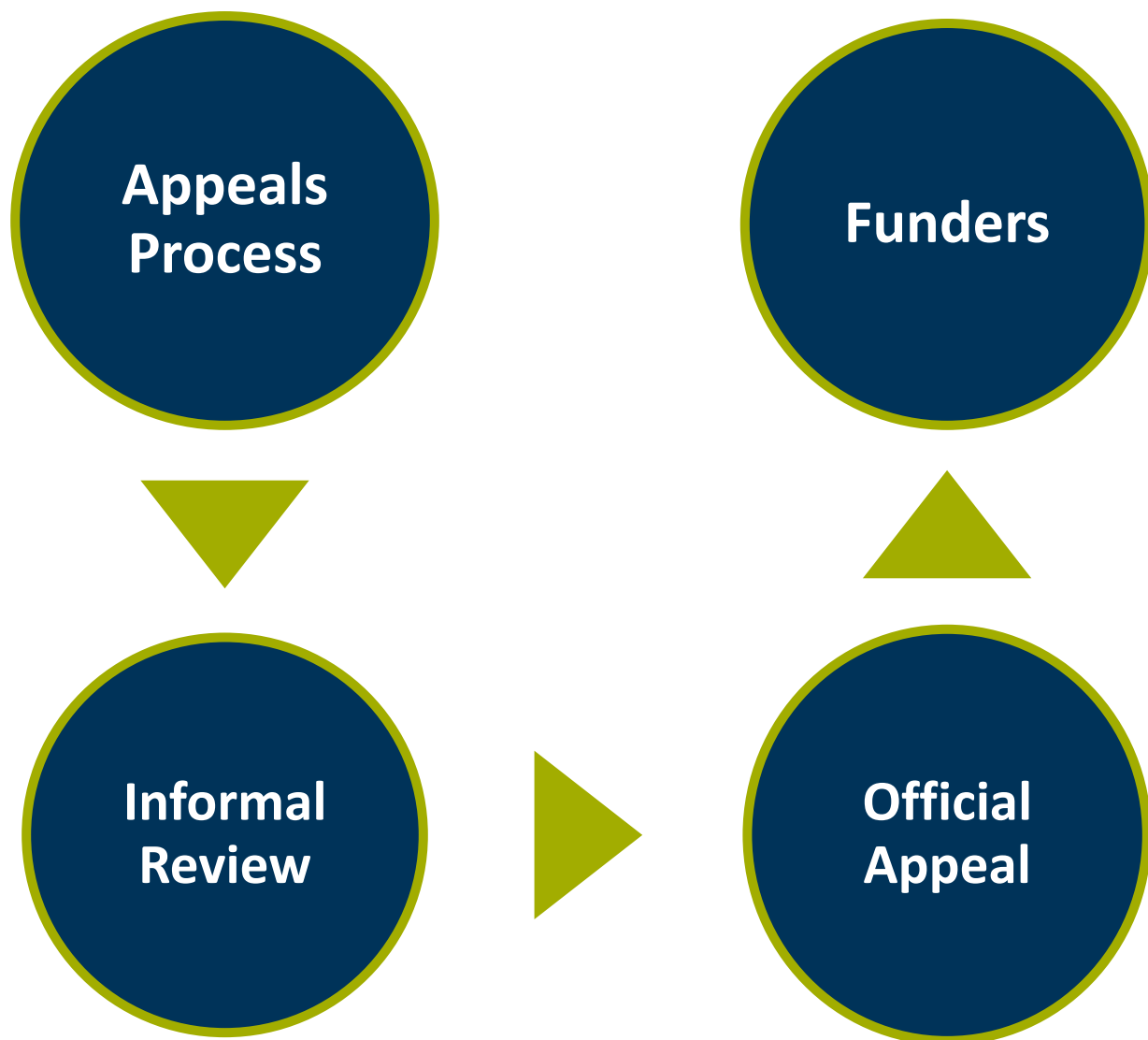
1005 The Report and Response Period:

- A. Lead monitor will issue a report, outlining all findings, concerns and recommendations within thirty (30) days of the exit interview.
- B. Each finding will include a required corrective action by the IDA Administrator. All concerns issued will list a good management practice, in which the IDA Administrator is strongly encouraged to consider. The IDA Administrator is not required to address recommendations, this is optional.

- C. If monitor(s) determines a financial finding, the IDA Administrator must repay IHCD within thirty (30) days of the report. A financial finding, may occur when a client receives undue benefits, due to ineligibility, or is owed a credit, due to misapplication of funds.
- D. The IDA Administrator has thirty (30) days to respond to IHCD, and is expected to address all findings and concerns.
- E. Initial appeals should occur in the IDA Administrator's response to the monitor for reconsideration and/or dismissal. If the IDA Administrator does not appeal its financial findings, please note it should provide documentation of repayment or credit to client(s) for closure to occur.
- F. If an IDA Administrator requests reconsideration of any findings or concerns, the IDA Administrator has fifteen (15) days to respond to IHCD monitor after it has received the first response.
- G. After each findings and concerns are addressed, and all payments have been submitted, if applicable, a close out letter will be issued.

1006 The Appeals Process:

- A. Agencies that contest a finding or concern are expected to state their position in their response letter to the report. IHCD will either accept the position of the IDA Administrator based on new information or evidence provided or continue to assert that the issue does constitute a finding or concern. At that point, the IDA Administrator may send an appeal letter to the Deputy Director of Community Programs at IHCD.
- B. The IDA Administrator will receive a reply within 30 days to its appeal. If the IDA Administrator does not agree with the reply at this level, it may appeal again to the Executive Director of the IHCD whose response will be final.



Section 1100: Additional IDA Program Policies

1101 Appeals Process

The Appeals Procedure begins at the local level with an informal process designed to settle most problems through a review of the facts and resolution of the issues. This process can include assistance from the Indiana Housing and Community Development Authority. If the informal process does not resolve the matter, there is a subsequent process whereby the IDA participant may ultimately address any grievances and request a final decision.

1101.1 Informal Review Process

The written notification of approval or denial to all IDA applicants must include the household's right to appeal that determination. The agency will add their appeal contact information to the Applicant Notification Letter

The applicant must send his or her appeal to the local agency IDA Manager or Executive Director within seven (10) business days of receipt of the denial. The agency Executive Director or IDA Manager determines the applicant's eligibility on review within ten (10) business days of receipt of the applicant's written appeal. The agency will add the IHCDAs appeals contact information to their written response letter

If the applicant is still not satisfied with the agency determination after review by the agency Executive Director or designee, he/she may request a review by IHCDAs. The applicant must send a written request within ten (10) business days of receipt of the agencies appeal determination to:

IDA Community Programs,
Indiana Housing and Community Development Authority
30 South Meridian Street, Suite 900
Indianapolis, IN 46204

If an applicant needs assistance with this procedure, they may contact IHCDAs at IDA@ihcda.in.gov.

IHCDAs IDA Community Programs Manager will review the materials submitted and issue a written finding to the applicant and the agency based on the documentation submitted, within ten (10) business days of receipt.

1101.2 Formal Appeal

If the applicant disagrees with the determination of the State IDA Community Programs Manager, the applicant has the right to appeal to the IHCDAs Director of Community Programs for a final determination.

The applicant must submit a written appeal within thirty (30) business days of being notified by the IDA Community Programs Managers decision.

The appeal must include the stated reasons for the applicant's objection to the denial, which reasons must be based solely upon evidence supporting one (1) of the following circumstances:

1. Clear and substantial error or misstated facts which were relied on in making the decision being challenged;
2. Conflict of interest in the decision-making process;
3. An illegal, unethical or improper act; or

4. Other legal basis that may substantially alter the decision.

Requests for a formal appeal should be sent to the attention of:

Director of Community Programs
Indiana Housing and Community Development Authority
30 South Meridian Street, Suite 900
Indianapolis, Indiana 46204

The Applicant will receive written acknowledgement of the request within five (5) business days of its receipt, noting the day the request was received. The Director of Community Programs has thirty (30) business days from IHCD's receipt of the written request to review the file and make a determination. The decision of the Director of Community Programs is final.

Section 1102 Acknowledging IDA Funders

Acknowledging IHCDFA Funding in Your Publications

The Indiana Housing and Community Development Authority (IHCDFA) grantees, award recipients, and their sub grantees must acknowledge funding in all publications that describe services and activities that are funded in whole or in part with their IHCDFA award.

Publications that should include an acknowledgement of IHCDFA funding include: funds statements, press releases, marketing materials such as brochures and presentations used for recruiting participants, and all other documents that describe your organization's outreach efforts and programmatic offerings.

Recipients are asked to send a draft of such materials to IHCDFA prior to publication/disbursement to ensure accurate information is presented, as well as for accountability and consistent messaging.

1102 Acknowledging AFI Grant Funding in Your Publications

Assets for Independence (AFI) grantees—and their sub grantees—must acknowledge Federal funding when in all publications that describe services and activities that are funded in whole or in part with their AFI grant.

Publications that should include an acknowledgement of Federal funding include: funds statements, press releases, marketing materials used for recruiting participants (e.g., brochures and presentations), and all other documents that describe your financial education and individual development account offerings. Recipients are required to state (1) the percentage and dollar amounts of the total program or project costs financed with Federal funds and (2) the percentage and dollar amount of the total costs financed by other sources.

This requirement is found in the U.S. Department of Health and Human Services' [Grants Policy Statement](#), which establishes policies for grantees under a variety of HHS programs. The AFI Resource Center encourages grantees to become familiar with the requirements found in Part II of the document, which covers HHS-wide terms and conditions for grants. Note that these requirements are in addition to the [official AFI grant documents](#) that you received upon grant award: Official Award Letter, Standard and Special Terms and Conditions, and Federal Financial Assistance Award.

To meet this requirement, grantees and sub grantees can customize the sample text below for inclusion in their publications:

A grant from Assets for Independence (AFI), a program of the U.S. Department of Health and Human Services, funds approximately 50 percent (\$1,000,000/annually) of costs for this program. The remaining 50% (\$1,000,000/annually) is funded through non-Federal sources.